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## LEGISLATIVE HISTORY

H. R. 13192

Public Law 85-853

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## Index and Summary of H. R. 13192

June 27, 1958	The House Appropriations Committee reported without amendment H. R. 13192. H. Rept. 2048. Print of bill and report.
July 1, 1958	House began debate on H. R. 13192.
July 2, 1958	House passed H. R. 13192 without amendment.
July 3, 1958	H. R. 13192 was referred to the Senate Committee on Appropriations. Print of bill as referred.
Aug. 5, 1958	The Senate Committee reported H. R. 13192 with amendments. S. Rept. 2204. Print of bill and report.
Aug. 11, 1958	The Senate passed over H. R. 13192.
Aug. 21, 1958	Sen. Bridges submitted an amendment to H. R. 13192. Print of amendment.
Aug. 22, 1958	Sen. Watkins submitted an amendment to H. R. 13192. Print of amendment.
Aug. 22, 1958	Senate began debate on H. R. 13192. The committee amendments were adopted.
Aug. 23, 1958	Senate passed H. R. 13192 as reported. Both Houses agreed to conference report. H. Rept. 2704. Print of bill and report.
Aug. 28, 1958	Approved: Public Law 85-853.



## DIGEST OF PUBLIC LAW 85-853

MUTUAL SECURITY APPROPRIATION ACT, 1959. Provides \$400,000,000 for the development loan fund; \$150,000,000 for technical cooperation; \$20,000,000 for the U. N. expanded program of technical assistance; \$1,500,000 for technical cooperation programs of the Organization of American States; \$200,000,000 general authorization for special assistance; and \$2,100,000 for payments of ocean freight charges on shipments of U. S. voluntary relief agencies. Provides that not to exceed 50 percent of the foreign currencies heretofore generated in any country under Sec. 402 of the Mutual Security Act of 1954 (relating to the export and sale for foreign currencies of surplus agricultural commodities, and the use of such foreign currency proceeds), may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section, provided that quarterly reports of the use of such foreign currencies shall be submitted to the Appropriations Committees of the House and Senate.









House - June 27, 1958

5. FARM PROGRAM. The Agriculture and Forestry Committee received permission to file a report before midnight, June 28, on an original farm bill. p. 11267
6. STATEHOOD. Continued debate on H. R. 7999, to admit Alaska into the Union as a State. (pp. 11278-84, 11285-96, 11301-11, 11313-6, 11320). Rejected a proposed amendment to provide commonwealth status for Alaska (pp. 11286-90), and overruled a point of order on the future defense land withdrawal section (pp. 11290-6, 11301-8).
7. MINERALS. The Interior and Insular Affairs Committee ordered reported with amendments S. 4036, to provide stabilization payments for the production of certain minerals. p. D606
8. R.E.A. Sen. Humphrey inserted resolutions of the Carlton County, Minn., Cooperative Power Ass'n and the Northern Electric Cooperative Ass'n urging enactment of the legislation to divest the Secretary of control over REA functions. p. 11260
9. RECESSED until Mon., June 30. p. 11328

# HOUSE

10. TRANSPORTATION. Passed, 348 to 2, with amendments H. R. 12832, the omnibus transportation bill. pp. 11350-84  
 Agreed to a committee amendment, as amended by amendments by Reps. Staggers and Roberts, to place under ICC regulation vegetables, coffee, tea, bananas, cocoa or hemp, and wool imported from any foreign country, wool tops and noils, or wool waste, carded but not spun, woven, or knitted. The amendment by Rep. Staggers continues the present exemption of cleaned or scoured wool from ICC regulation. The amendment of Rep. Roberts included bananas in the list of commodities subject to regulation. pp. 11375-7  
 Rejected amendments by Rep. Miller, Md., to continue the present exemption from ICC regulation of frozen fruits, berries and vegetables, and by Rep. Gubser to restore the existing exemption for frozen fruits, berries, and vegetables in less than carload lots. pp. 11381-2  
 Substituted the language of H. R. 12832 as passed for that of a similar bill, S. 3778. H. R. 12832 was laid on the table. (pp. 11388-91) Conferees were appointed.
11. TAXATION. Agreed, 366 to 9, to the conference report on H. R. 12695, to extend for 1 year the corporate normal-tax rate and certain excise tax rates, and to repeal the tax on transportation. pp. 11332-41, 11385-6. This bill will now be sent to the President.
12. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 13192, the mutual security appropriation bill (H. Rept. 2048). p. 11395
13. FORESTRY. The Agriculture Committee reported without amendment H. R. 12161, to provide for the establishment of townsites from national forest lands (H. Rept. 2044). p. 11394
14. AREA REDEVELOPMENT. The Banking and Currency Committee ordered reported with amendment S. 3683, to establish an effective program to alleviate conditions of substantial unemployment in certain economically depressed areas. p. D608
15. WATER RESOURCES. A subcommittee of the Merchant Marine and Fisheries Committee ordered reported with amendment H. R. 13138, to amend the Coordination Act so as to provide more effective integration of fish and wildlife conservation programs with Federal water resource development programs. p. D608

# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued June 30, 1958  
For actions of June 27, 1958  
85th-2d, No. 107

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HIGHLIGHTS: Senate concurred in House amendments to employee training bill. House passed omnibus transportation bill. Both Houses agreed to conference report on mutual security authorization bill. House committee reported mutual security appropriation bill. Both Houses passed appropriation continuation measure, including funds for pay raise costs. House committee ordered reported area redevelopment bill.

## SENATE

1. APPROPRIATIONS. Both Houses passed without amendment H. J. Res. 640, making temporary appropriations for fiscal year 1958 to pay for Federal employee pay raises, which had been reported earlier in the day by both Houses (S. Rept. 1765) (H. Rept. 2046). pp. 11297, 11348-50, 11395, 11263. This measure will now be sent to the President.  
The Appropriations Committee reported with amendments H.R. 12948, the D. C. appropriation bill for 1959 (S. Rept. 1764). p. 11263
2. PERSONNEL. Concurred in the House amendments to S. 385, to provide general legislative authority for the training of Federal employees. pp. 11297-301. This bill will now be sent to the President.
3. FOREIGN AID. Both Houses agreed to the conference report on H. R. 12181, the mutual security authorization bill for 1958. pp. 11317-9, 11341-8. This bill will now be sent to the President.
4. FORESTRY. Sen. Neuberger inserted various letters on S. 3051, the Klamath Indian termination amendment bill, and the testimony of the National Lumber Manufacturers' Ass'n, which he criticized. pp. 11270-6



## MUTUAL SECURITY APPROPRIATION BILL, 1959

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JUNE 27, 1958.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. PASSMAN, from the Committee on Appropriations, submitted the following

### REPORT

[To accompany H. R. 13192]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for Mutual Security for the fiscal year ending June 30, 1959.

#### SUMMARY OF BILL

Proposed appropriations for the fiscal year 1959, in the amount of \$3,942,092,500, for mutual assistance programs were contained in House Document 363, dated April 1, 1958. An amendment increasing this budget request in the amount of \$8,000,000 was contained in House Document 407, dated June 18, 1958, making a total budget request of \$3,950,092,500. In addition, reappropriation of the unobligated balance of the President's Fund for Asian Economic Development was requested.

The accompanying appropriation bill for fiscal year 1959 includes new appropriations of \$3,078,092,500. The appropriations recommended for the fiscal year 1959 are a reduction of \$872,000,000 from the President's Budget request and a reduction of \$597,500,000 below the amounts authorized by the Mutual Security Act. They are \$309,332,500 more than the new appropriations for 1958, \$357,717,500 less than total amounts provided for the fiscal year 1958, including unobligated balances reappropriated for that year. The reductions

recommended are in five items, namely: Military Assistance, Defense Support, Development Loan Fund, Special Contingency Fund, and Special Assistance. No reductions have been made in the other 14 items.

The following tabulation summarizes the amounts requested and provided for the major programs. A detailed breakdown by individual item will be found at the end of the report.

Item	Appropriations, 1958	Estimates, 1959	Recommended, 1959	Bill compared with—	
				Appropriations, 1958	Estimates, 1959
Military assistance.....	\$1,878,800,000	\$1,800,000,000	\$1,515,000,000	-\$363,800,000	-\$285,000,000
Defense support.....	725,000,000	835,000,000	700,000,000	-25,000,000	-135,000,000
Development Loan Fund.....	300,000,000	625,000,000	300,000,000	-----	-----
Technical Cooperation.....	142,000,000	171,500,000	171,500,000	+29,500,000	-----
Special assistance.....	225,000,000	212,000,000	185,000,000	-40,000,000	-----
Contingency fund.....	-----	200,000,000	100,000,000	+100,000,000	-27,000,000
Other programs.....	165,010,000	106,592,500	106,592,500	-58,417,500	-100,000,000
Total, Mutual Security:					
Appropriation.....	2,768,760,000	3,950,092,500	3,078,092,500	+309,332,500	-872,000,000
Unobligated balance.....	667,050,000	(1)	(13)	-667,050,000	-----
Total.....	3,435,810,000	3,950,092,500	3,078,092,500	-357,717,500	-872,000,000

<sup>1</sup> Entire unobligated balance of President's Fund for Asian Economic Development (no amount specified) to remain available through June 30, 1959.

<sup>2</sup> Entire unobligated balance of United Nations Relief and Works Agency (no amount specified) made available through June 30, 1959.

## OBLIGATIONAL AUTHORITY

In addition to the appropriation recommended, an estimated unobligated balance of \$25,000,000 in the military assistance program remains available until December 31, 1958, under the provisions of the Mutual Security Appropriation Act of 1958; and an estimated unobligated balance of \$175,000,000 in the Development Loan Fund will remain available until expended. In addition, the Committee has included language which will continue available unobligated balances in the United Nations Relief and Works Agency funds. Thus a total obligational authority of \$3,278 million will be available for the fiscal year 1959, exclusive of the unobligated balances for the President's Asian fund and the U. N. Relief and Works Agency, which amounts are not known at the present time.

## EXPENDITURES

The total unexpended balance for mutual assistance programs as of June 30, 1958, is estimated to be \$5,194,992,000. This balance plus the new appropriations in the amount of \$3,078,092,500 recommended in the accompanying bill will provide a total of \$8,273,084,500 available for expenditure in the fiscal year 1959.

Expenditures for mutual assistance programs for the fiscal year 1959 are estimated at \$3,875,000,000. Of this total, \$2,200,000,000 is estimated for the military assistance appropriation and \$1,675,000,000 for economic assistance appropriation.

## FOREIGN CURRENCIES

There are three principal categories of foreign currencies, owned or controlled by the United States, which are related to operations under the mutual security program. Counterpart is the local currency sales proceeds or commensurate value of United States commodity assistance furnished under the mutual security program. The second category is the proceeds from the sales of surplus agricultural commodities under authority of section 402 and its predecessor, section 550, of the Mutual Security Act. The third type of currencies are those available under title I of Public Law 480, the Agricultural Trade Development and Assistance Act.

A summary of the estimated status of these foreign currencies, most of which are available to supplement appropriations, as taken from the budget justifications follows:

[In thousands of dollar equivalent]

	June 30, 1958 (estimate)				June 30, 1959 (estimate)			
	Counterpart	Section 402	Public Law 480	Total	Counterpart	Section 402	Public Law 480	Total
Unobligated deposits.....	282,093	169,929	452,553	904,575	398,748	96,838	274,380	769,966
Unexpended obligations.....	472,538	71,765	401,341	945,644	410,803	51,115	291,221	753,139
Total unexpended deposits.....	754,631	241,694	853,894	1,850,219	809,551	147,953	565,601	1,523,105



## MILITARY ASSISTANCE

The major purpose of chapter I of Title I of the Mutual Security Act of 1954 as amended is to authorize "measures in the common defense, including the furnishing of military assistance to friendly nations and international organizations in order to promote the foreign policy, security and general welfare of the United States and to facilitate the effective participation of such nations in arrangements for individual and collective self-defense". Military assistance consists of military equipment, training in its proper use, and supplies and services, furnished directly to military forces of certain countries which are deemed desirable in fulfillment of United States national security objectives.

The budget request for military assistance is \$1,800,000,000. The following table shows the proposed distribution by area:

Europe.....	\$206, 565, 000
Africa.....	7, 324, 000
Near East and South Asia.....	279, 584, 000
Far East.....	399, 120, 000
Latin America.....	33, 308, 000
Non-regional.....	874, 099, 000
Total Military Assistance.....	1, 800, 000, 000

The Mutual Security Act of 1958 authorizes the appropriation of \$1,605,000,000 in new obligational authority for military assistance. The Committee recommends an appropriation of \$1,515,000,000 for this item. This is a reduction of \$285,000,000 from the budget request, and a reduction of \$90,000,000 from the amount authorized.

The unexpended balance for the military assistance appropriation item as of June 30, 1958 is estimated to be \$3,362,090,000. This amount plus the recommended new appropriation of \$1,515,000,000 will provide a total of \$4,877,090,000 for future expenditure. The estimated expenditures for this item for fiscal year 1959 as submitted to the Committee by the Defense Department total \$2,200,000,000. Thus, the total available will fund the program into September 1960, at that estimated expenditure rate.

A limitation of \$25,000,000 for administrative expenses has been approved for this program for fiscal year 1959. This is the full budget estimate.

During the course of the hearings it was established that excess stocks of military equipment and supplies valued at \$1,064,699,000 will have been delivered to recipient countries through June 30, 1958, in connection with the military assistance program, supplementing and without charge to mutual assistance program funds. This should be recognized as a substantial augmentation of the mutual assistance program represented in this appropriation.

## DEFENSE SUPPORT

The Committee was advised that defense support is that economic assistance which is provided, in addition to military assistance, in order to secure a specific contribution to the common defense by another country in which United States military aid is helping to support significant military forces.

The budget request for this item is \$835,000,000, as follows:

Europe.....	\$45, 000, 000
Near East and South Asia.....	195, 000, 000
Far East.....	595, 000, 000
Total, Defense Support.....	835, 000, 000

The amount for individual countries is classified. The countries included are: Spain, Greece, Iran, Turkey, Pakistan, Cambodia, Korea, Laos, Philippines, Taiwan, Thailand, and Vietnam.

The Mutual Security Act of 1958 authorizes the appropriation of \$810,000,000 for Defense Support. There is recommended in the accompanying bill an appropriation of \$700,000,000.

The appropriation recommended is a reduction of \$135,000,000 from the budget request. It is a reduction of \$110,000,000 from the amount authorized.

The unexpended balance for the Defense Support program as of June 30, 1958, is estimated at \$910,688,000. This amount together with the new appropriation will make a total of \$1,610,688,000 available for expenditure. The estimated expenditures for fiscal year 1959 for this item are \$888,952,000.

An estimated unexpended balance of \$168,211,000 as of June 30, 1958, will continue available for expenditure under the Development Assistance program for which the unobligated balance was reappropriated last year.

#### DEVELOPMENT LOAN FUND

The Mutual Security Act of 1957 authorized an appropriation of \$500,000,000 without fiscal year limitation for this fund. This legislation also authorized an additional \$625,000,000 to be appropriated to the President without fiscal year limitation, for advances to the Fund beginning in the fiscal year 1959.

The Committee has included in the bill the sum of \$300,000,000 for this fund, which is a reduction of \$325,000,000 in the amount of the budget estimate and in the amount authorized. The sum of \$300,000,000 was appropriated for fiscal year 1958. Thus the accompanying bill would bring to \$600,000,000 the total capitalization for the Development Loan Fund. According to the budget justifications, obligations through June 30, 1958, will be \$125,000,000. Language in the bill provides that these funds shall remain available until expended.

The Committee recommends a limitation of \$1,000,000 for administrative expenses for this program which is a reduction of \$500,000 in the amount of the budget estimate and authorization.

#### TECHNICAL COOPERATION

Technical Cooperation is a program for the sharing of knowledge, experience, techniques, and skills with peoples of less developed areas for the purpose of helping them to further their economic development and to increase their standards of living. Its objective is to help the peoples of these countries to help themselves by applying up-to-date

methods to their economic and related social and governmental problems. Technical cooperation is extended by sending technicians to participating countries to advise and teach, and by bringing selected foreign technicians to the United States or other countries for advanced training.

Funds have been requested for proposed programs for 62 nations and dependent territories on a direct government-to-government basis, which is the general authorization item. In addition, United States contributions to technical assistance programs through the United Nations are requested in the item, United Nations Technical Assistance. There is also an item for the Organization of American States.

*Technical cooperation, general authorization.*—The budget request for this purpose is \$150,000,000. This amount has been authorized to be appropriated. The Committee recommends an appropriation of \$150,000,000, an increase of \$37,000,000 over the new obligational authority appropriated for fiscal year 1958, and an increase of \$25,000,000 over the total amount available for obligation in fiscal year 1958, including unobligated balances reappropriated.

The unexpended balance for this item as of June 30, 1958, is estimated to be \$165,899,000. This amount, plus the recommended appropriation would provide a total of \$315,899,000 available for future expenditure. The estimated expenditure in fiscal year 1959 is \$145,941,000.

*United Nations technical assistance.*—The Committee was advised that at the recent General Assembly of the United Nations, the United States took the initiative in proposing a substantial enlargement of the United Nations Expanded Technical Assistance Program. The proposal was formulated in recognition of the urgent needs of the less developed countries and territories and of their ability to make good use of technical assistance on a larger scale than the present United Nations program could furnish.

The Committee has included \$20,000,000 in the bill for this item, which is the full amount of the budget estimate and the authorization. It is an increase of \$4,500,000 over the appropriation for fiscal year 1958.

*Organization of American States.*—The full budget estimate of \$1,500,000 is recommended for 1959. The same amount was provided for 1958.

#### SPECIAL ASSISTANCE AND OTHER PROGRAMS

*Special Assistance.*—Special Assistance is designed to cover economic aid necessary to achieve any of the variety of political, economic or other objectives which the United States may have in a given country. It is used where the support of significant military forces is not an important objective of United States policy and where the assistance cannot be provided under technical cooperation or the Development Loan Fund.

According to the justifications submitted to the Committee, the request for this item has been programmed on an illustrative basis as follows: \$25,600,000 for malaria eradication; \$3,000,000 for Western European technical exchange; and \$183,400,000 for regional expenses and for certain specific countries, the breakdown of which is classified.



The Mutual Security Act of 1958 authorizes the appropriation of not to exceed \$202,500,000 for Special Assistance. The Committee has included in the bill the amount of \$185,000,000 for this item, a reduction of \$27,000,000 in the amount of the budget estimate, and \$17,500,000 less than the amount authorized.

*Intergovernmental Committee for European Migration.*—This Committee assists in the movement of migrants and refugees from overpopulated countries of Europe to other countries which can use additional manpower. There are presently 27 government members. It is estimated that approximately 145,000 refugees will be moved during 1959.

The appropriation of such amounts as may be necessary from time to time for the payment by the United States of its contributions to the Committee and all necessary salaries and expenses incident to United States participation in the Committee is authorized under the provisions of section 405 (a) of the Mutual Security Act of 1954, as amended. The full amount of the budget estimate, \$12,500,000, is recommended for this purpose. The same amount was provided for fiscal year 1958.

*United Nations High Commissioner for Refugees.*—This program was authorized by a General Assembly resolution of December 2, 1957. This voluntary United Nations program will permit the meeting of new emergency refugee situations as they might arise and will make it possible to complete the camp closure and other programs which are expected to remain unfinished on termination of the United Nations Refugee Fund (UNREF) program on December 31, 1958.

The bill includes \$1,200,000, the amount of the budget estimate and the full authorization, for the United States contributions for the calendar year 1959 program. This amount is a decrease of \$1,033,000 from the appropriation for fiscal year 1958.

*Escapee program.*—The United States Escapee Program was carried from March 1952 until 1955 under special provisions of the Mutual Security Act of 1951 and section 401 of the Mutual Security Act of 1954. Since 1955, specific legislative authority for the appropriation for the program has been provided in section 405 (d) of the Mutual Security Act of 1954, as amended.

The principal objective of the program is to reduce the numbers of escapees in need of assistance in Europe by resettlement in overseas countries which are seeking additional people. While the escapees are awaiting permanent reestablishment, the program supplements the considerable assistance of the countries of asylum and of the voluntary agencies. The United States contribution fills the gap which remains between what can be provided from these two sources and what is needed to assure a level of assistance considered essential.

A total of \$8.6 million was requested for 1959 to carry out the Escapee Program and to continue the resettlement of the Hungarians still in camps. An appropriation of \$8,600,000, the full amount of the budget estimate and the authorization, is recommended for this program. This is an increase of \$3,100,000 over the appropriation for fiscal year 1958.

*United Nations Children's Fund.*—This contribution will be used to help carry forward programs supported by member countries of the



United Nations for the health and welfare of mothers and children in the newly developing areas.

In 1957, over 45 million children and mothers in 104 countries and territories received direct benefits through United Nations Children's fund aided programs. Over 16 million children were vaccinated against tuberculosis; 55 million children and mothers were protected from malaria and other insect-borne diseases; 5.6 million children were treated for yaws, and 4.5 million were given supplementary feeding.

Almost 13,400 maternal and child health centers in rural areas, primarily in Asia, received aid in the form of basic equipment and medical supplies.

The Committee recommends the full authorization and the amount of the budget estimate, \$11,000,000, for this item. This is the same amount as was appropriated for fiscal year 1958.

*United Nations Relief and Works Agency.*—This program provides funds for United States participation in the relief and rehabilitation of Palestine refugees in the Near East. This participation takes the form of a contribution to the United Nations Relief and Works Agency.

An appropriation of \$25,000,000, the full amount of the budget request and the authorization, is recommended for this program. In addition, the Committee has exceeded the budget request by providing for the rcappropriation of all unobligated balances remaining in this program as of June 30, 1958. The Committee makes the recommendation out of the conviction that the relief program, while essential, is no solution to the refugee problem. It is intended that the funds recommended will give emphasis to rehabilitation efforts and that steps will be taken to bring the refugee problem to an early and satisfactory solution.

*Ocean freight.*—This request is to make possible the continued support of our American voluntary agencies by paying ocean freight costs on their relief shipments abroad. The \$2.1 million requested is \$100,000 less than was appropriated last year for this purpose. No procurement costs to the United States Government are involved. The goods are supplied by the voluntary agencies and represent free donations of the American people. Thus for each tax dollar spent, supplies valued at about \$14 are delivered to needy persons in friendly countries abroad.

Thirty-one private groups cooperate in this program in 17 foreign countries. Their activities and services abroad, in the fields of material aid, refugee resettlement and technical assistance, are considered to be a valuable supplement to the official programs of governments.

The Committee recommends the budget estimate, \$2,100,000 for the payment of ocean freight charges on relief shipments by voluntary agencies. This is the full amount requested and authorized for fiscal year 1959. It is a decrease of \$100,000 from the amount appropriated for fiscal year 1958.

*Control Act expenses.*—The Director of the International Cooperation Administration is responsible for the administration of the Mutual Defense Assistance Control Act of 1951 (Battle Act) for controlling exports of strategic materials to the countries behind the Iron Curtain by countries which receive United States aid. The Committee recommends the sum of \$1,000,000 for this item, which is the amount of the

budget estimate and the authorization. It is the same amount as was appropriated for fiscal year 1958.

*General administrative expenses.*—The budget request for this item is \$33,000,000, and the Mutual Security Act of 1958 authorizes this amount to be appropriated. The bill includes this amount for necessary administrative expenses for the International Cooperation Administration and the refugee and migration program. This is an increase of \$2,496,000 over the comparable amount for fiscal year 1958. The Committee, in recommending approval of the budget request for this item, anticipates improved administration of the mutual security program and expects that prompt action will be taken to correct deficiencies in planning, supervision, and coordination.

*Administrative expenses, State Department.*—This item provides for administrative expenses of the Department of State which are incurred for the functions directly related to the Mutual Security program and the United States Regional Office, Paris. Section 411 (c) of the Mutual Security Act of 1954, as amended, authorizes the appropriation to the Department of State of such amounts, not to exceed \$7,000,000 in any fiscal year, as may be necessary for such administrative expenses. The Committee has included in the bill the sum of \$6,692,500 for this item for the coming fiscal year, which is the full amount of the budget estimate.

*Atoms for Peace.*—Starting with the President's statement to the General Assembly of the United Nations in December 1953, the United States Government, in various policy pronouncements, has indicated its desire to assist other friendly nations of the world in developing well-rounded programs for the peaceful use of atomic energy.

The offer of assistance under this program consists of three major activities: (1) financing the costs of research reactors in friendly nations, (2) training of foreign nationals in the United States, and (3) providing research and training equipment.

The fiscal year 1959 program is directed toward providing broader and more effective assistance to a growing number of countries engaging in nuclear energy activities. In addition to those countries which have received grants under this program, it is expected that during fiscal year 1959 the following 15 countries will be candidates for grants toward the cost of research reactors and training equipment:

Argentina	Cuba	Peru
Australia	Ireland	South Africa
Austria	New Zealand	Switzerland
Belgium	Norway	Thailand
China	Pakistan	Turkey

The Committee recommends an appropriation of \$5,500,000, which is the amount of the budget request and the authorization. This is an increase of \$1,050,000 over the amount of \$4,450,000 made available by reappropriation last year.

*President's Special Authority and Contingency Fund.*—The President has asked for an appropriation of a special sum of money for meeting two kinds of contingencies:

- (1) those which can be foreseen but without certainty as to the amount which may be necessary;

(2) those which cannot be foreseen at all but which experience has demonstrated will arise.

This Fund was included last year as the unprogrammed part of Special Assistance. It is now treated as a separate fund in order to identify more plainly the purposes of the program.

The budget request for the Contingency Fund is \$200,000,000. The Mutual Security Act of 1958 authorizes the appropriation of \$155,000,000 for this item. The Committee recommends the appropriation of \$100,000,000 for this item, a reduction of \$100,000,000 from the budget request and \$55,000,000 from the authorization.

*President's Fund for Asian Economic Development.*—This fund was established under the provisions of section 418 of the Mutual Security Act of 1955. The amount of \$100 million was appropriated to remain available for obligation during the three fiscal years ending June 30, 1958. The legislation was designed to foster regional cooperation in the economic growth of free Asia. The program involved concepts entirely new to the Asian region, and has been slow to evolve as evidenced by the slow rate of obligation. However, negotiations are now further advanced for the use of this fund, and the Committee does not wish to disrupt the program by permitting the funds to lapse. Accordingly, language is provided which will make this fund available for obligation through fiscal year 1959.



COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1958, ESTIMATES FOR 1959, AND AMOUNTS  
RECOMMENDED IN BILL FOR 1959

Items	Appropriations, 1958	Estimates, 1959	Recommended in bill, 1959	Bill compared with—	
				Appropriations, 1958	Estimates, 1959
<b>MUTUAL SECURITY</b>					
<b>MILITARY ASSISTANCE</b>					
Military assistance:					
Appropriation-----	\$1, 340, 000, 000	\$1, 800, 000, 000	\$1, 515, 000, 000	+\$175, 000, 000	—\$285, 000, 000
Unobligated and unreserved balance---	538, 800, 000	-----	-----	—538, 800, 000	-----
Total, military assistance-----	1, 878, 800, 000	1, 800, 000, 000	1, 515, 000, 000	—363, 800, 000	—285, 000, 000
<b>ECONOMIC ASSISTANCE</b>					
Defense support:					
Appropriation-----	689, 000, 000	835, 000, 000	700, 000, 000	+11, 000, 000	—135, 000, 000
Unobligated balance-----	36, 000, 000	-----	-----	—36, 000, 000	-----
Total defense support-----	725, 000, 000	835, 000, 000	700, 000, 000	—25, 000, 000	—135, 000, 000
Development Loan Fund-----	300, 000, 000	625, 000, 000	300, 000, 000	-----	—325, 000, 000
Administrative expense limitation-----	-----	( <sup>1</sup> 1, 500, 000)	(1, 000, 000)	(+1, 000, 000)	(—500, 000)
<b>Technical cooperation:</b>					
General authorization:					
Appropriation-----	113, 000, 000	<sup>2</sup> 150, 000, 000	150, 000, 000	+37, 000, 000	-----

Unobligated balance-----	12, 000, 000				-12, 000, 000	----
Total, general authorization-----	125, 000, 000	150, 000, 000	150, 000, 000	150, 000, 000	+25, 000, 000	----
United Nations expanded program-----	15, 500, 000	20, 000, 000	20, 000, 000	20, 000, 000	+4, 500, 000	----
Organization of American States-----	1, 500, 000	1, 500, 000	1, 500, 000	1, 500, 000		----
Total, technical cooperation-----	142, 000, 000	171, 500, 000	171, 500, 000	171, 500, 000	+29, 500, 000	----
Development assistance:						
Unobligated balance-----	52, 000, 000				-52, 000, 000	----
President's Fund for Asian Economic Development-----		(4)	(4)	(4)		----
Special assistance and other programs:						
Special assistance-----	225, 000, 000	212, 000, 000	185, 000, 000	185, 000, 000	-40, 000, 000	-27, 000, 000
Joint control areas-----	11, 500, 000	(5)	(5)	(5)	-11, 500, 000	----
Intergovernmental Committee for European Migration-----	12, 500, 000	12, 500, 000	12, 500, 000	12, 500, 000		----
United Nations High Commissioner for Refugees-----	2, 233, 000	1, 200, 000	1, 200, 000	1, 200, 000	-1, 033, 000	----
Escapee program-----	5, 500, 000	8, 600, 000	8, 600, 000	8, 600, 000	+3, 100, 000	----
United Nations Children's Fund-----	11, 000, 000	11, 000, 000	11, 000, 000	11, 000, 000		----

See footnotes at end of table, p. 15.

*Comparative statement of appropriations for 1958, estimates for 1959, and amounts recommended in bill for 1959—Continued*

Items	Appropriations, 1958	Estimates, 1959	Recommended in bill, 1959	Bill compared with—	
				Appropriations, 1958	Estimates, 1959
Special assistance and other programs— Continued					
United Nations Relief and Works Agency:					
Appropriation-----		\$25, 000, 000	\$25, 000, 000	+\$25, 000, 000	-----
Unobligated balance-----	\$23, 800, 000	-----	( <sup>6</sup> )	-\$23, 800, 000	-----
Total UNRWA-----	23, 800, 000	25, 000, 000	25, 000, 000	+ 1, 200, 000	-----
North Atlantic Treaty Organization (civilian headquarters)-----	1, 500, 000	-----	-----	- 1, 500, 000	-----
Ocean freight charges-----	2, 200, 000	2, 100, 000	2, 100, 000	- 100, 000	-----
Control Act expenses-----	1, 000, 000	1, 000, 000	1, 000, 000	-----	-----
General administrative expenses-----	32, 750, 000	33, 000, 000	33, 000, 000	+ 250, 000	-----
State Department administrative expenses-----	4, 577, 000	6, 692, 500	6, 692, 500	+ 2, 115, 500	-----
Atoms for peace:					
Appropriation-----		5, 500, 000	5, 500, 000	+ 5, 500, 000	-----

Unobligated balance.....	4, 450, 000	-----	-----	-----	-----	-----
Total, Atoms for Peace.....	4, 450, 000	5, 500, 000	5, 500, 000	+1, 050, 000	-----	-----
Total, economic assistance.....	1, 557, 010, 000	1, 950, 092, 500	1, 463, 092, 500	-93, 917, 500	-----	-----
CONTINGENCY FUND						
President's Special Authority and Con- tingency Fund.....	( <sup>6</sup> )	200, 000, 000	100, 000, 000	+100, 000, 000	-----	-----
Total mutual security:						
Appropriation.....	2, 768, 760, 000	3, 950, 092, 500	3, 078, 092, 500	+309, 332, 500	-----	-----
Unobligated balance.....	667, 050, 000	( <sup>4</sup> )	( <sup>4</sup> ) ( <sup>6</sup> )	-667, 050, 000	-----	-----
Total.....	3, 435, 810, 000	3, 950, 092, 500	3, 078, 092, 500	-357, 717, 500	-----	-----

<sup>1</sup> Includes \$815,000 increase contained in H. Doc. No. 407.

<sup>2</sup> Includes \$8,000,000 increase contained in H. Doc. No. 407.

<sup>3</sup> Entire unobligated balance made available through June 30, 1958, by 1956 appropriation act.

<sup>4</sup> Entire unobligated balance of President's Fund for Asian Economic Development (no amount specified) to remain available through June 30, 1959.

<sup>5</sup> Included in "Special assistance."

<sup>6</sup> Entire unobligated balance of United Nations Relief and Works Agency (no amount specified) made available through June 30, 1959.

○





Union Calendar No. 833

85TH CONGRESS  
2D SESSION

# H. R. 13192

[Report No. 2048]

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 1958

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

## A BILL

Making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1959, namely:

6                               MUTUAL SECURITY

7                               FUNDS APPROPRIATED TO THE PRESIDENT

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Mutual Security Act of 1954, as

1 amended, to remain available until June 30, 1959 unless  
2 otherwise specified herein, as follows:

3 Military assistance: For assistance authorized by section  
4 103 (a) to carry out the purposes of title I, chapter 1 (in-  
5 cluding administrative expenses as authorized by section 103  
6 (b), which shall not exceed \$25,000,000 for the fiscal year  
7 1959, and purchase for replacement only of passenger motor  
8 vehicles for use abroad), \$1,515,000,000;

9 Defense support: For assistance authorized by section  
10 131 (b), \$700,000,000;

11 Development Loan Fund: For advances to the Develop-  
12 ment loan fund as authorized by section 203, \$300,000,000,  
13 to remain available until expended;

14 Technical cooperation, general authorization: For assist-  
15 ance authorized by section 304, \$150,000,000;

16 United Nations expanded program of technical assist-  
17 ance and related fund: For contributions authorized by  
18 section 306 (a), \$20,000,000;

19 Technical cooperation programs of the Organization of  
20 American States: For contributions authorized by section  
21 306 (b), \$1,500,000;

22 Special assistance, general authorization: For assistance  
23 authorized by section 400 (a), \$185,000,000;

24 Intergovernmental Committee for European Migration:  
25 For contributions authorized by section 405 (a), \$12,500,-

1 000: *Provided*, That no funds appropriated in this Act shall  
2 be used to assist directly in the migration to any nation in  
3 the Western Hemisphere of any person not having a security  
4 clearance based on reasonable standards to insure against  
5 Communist infiltration in the Western Hemisphere;

6 Program of United Nations High Commissioner for  
7 Refugees: For contributions authorized by section 405 (c),  
8 \$1,200,000;

9 Escapee program: For assistance authorized by section  
10 405 (d), \$8,600,000;

11 United Nations Children's Fund: For contributions  
12 authorized by section 406, \$11,000,000;

13 United Nations Relief and Works Agency: For con-  
14 tributions and expenditures authorized by section 407, \$25,-  
15 000,000, and in addition the unobligated balances of funds  
16 heretofore made available for this purpose are continued  
17 available;

18 Ocean freight charges, United States voluntary relief  
19 agencies: For payments authorized by section 409 (c),  
20 \$2,100,000;

21 Control Act expenses: For carrying out the purposes of  
22 the Mutual Defense Assistance Control Act of 1951, as  
23 authorized by section 410, \$1,000,000;

24 General administrative expenses: For expenses author-  
25 ized by section 411 (b), \$33,000,000;

1       Atoms for Peace: For assistance authorized by section  
2 419, \$5,500,000;

3       President's Special Authority and Contingency Fund:  
4 For assistance authorized by section 451 (b), \$100,000,000;

5       President's Fund for Asian Economic Development:  
6 Unobligated balances of funds heretofore made available for  
7 the President's Fund for Asian Economic Development are  
8 hereby continued available for the fiscal year 1959 for the  
9 purposes for which originally appropriated.

10       Funds appropriated under each paragraph of this Act  
11 (other than appropriations under the head of military assist-  
12 ance), including unobligated balances continued available,  
13 and amounts certified pursuant to section 1311 of the Supple-  
14 mental Appropriation Act, 1955, as having been obligated  
15 against appropriations heretofore made for the same general  
16 purpose as such paragraph, which amounts are hereby con-  
17 tinued available (except as may otherwise be specified in  
18 this Act) for the same period as the respective appropria-  
19 tions in this Act for the same general purpose, may be con-  
20 solidated in one account for each paragraph.

21                               DEPARTMENT OF STATE

22       Administrative expenses: For expenses of the Depart-  
23 ment of State as authorized by section 411 (c) of the Mutual  
24 Security Act of 1954, as amended, \$6,692,500.



## CORPORATIONS

The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation, except as hereinafter provided:

## LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Not to exceed \$1,000,000 of the funds of the Development Loan Fund shall be available during the fiscal year 1959 for administrative expenses of the Fund covering the categories set forth in the fiscal year 1959 budget estimates for such expenses.

## GENERAL PROVISIONS

SEC. 102. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000

1 shall be reported to the Committees on Appropriations of  
2 the Senate and House of Representatives at least twice  
3 annually.

4 SEC. 104. Except for the appropriations entitled "Presi-  
5 dent's special authority and contingency fund" and "Devel-  
6 opment loan fund", not more than 20 per centum of any  
7 appropriation item made available by this Act shall be  
8 obligated and/or reserved during the last month of avail-  
9 ability.

10 SEC. 105. The Congress hereby reiterates its opposi-  
11 tion to the seating in the United Nations of the Communist  
12 China regime as the representative of China, and it is hereby  
13 declared to be the continuing sense of the Congress that the  
14 Communist regime in China has not demonstrated its will-  
15 ingness to fulfill the obligations contained in the Charter of  
16 the United Nations and should not be recognized to represent  
17 China in the United Nations. In the event of the seating  
18 of representatives of the Chinese Communist regime in the  
19 Security Council or General Assembly of the United Nations,  
20 the President is requested to inform the Congress insofar as  
21 is compatible with the requirements of national security,  
22 of the implications of this action upon the foreign policy of  
23 the United States and our foreign relationships, including  
24 that created by membership in the United Nations, together

1 with any recommendations which he may have with respect  
2 to the matter.

3 This Act may be cited as the "Mutual Security Appro-  
4 priation Act, 1959".

[Report No. 2048]

# A BILL

Making appropriations for Mutual Security for  
the fiscal year ending June 30, 1959, and for  
other purposes.

By Mr. PASSMAN

JUNE 27, 1958

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed







# Digest of CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 2, 1958  
For actions of July 1, 1958  
85th-2d, No. 109

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HIGHLIGHTS: House debated mutual security appropriation bill. House committee reported area redevelopment bill. Senate passed bill to make Small Business Administration permanent agency.

HOUSE July 1, 1958

1. APPROPRIATIONS. Began debate on H. R. 13192, the mutual security appropriation bill for 1959. (pp. 11630-664, 11674-675) As reported by the Appropriations Committee, the bill includes \$300,000,000 for advances to the development loan fund, \$171,500,000 for technical cooperation programs, and \$2,100,000 for the payment of ocean freight charges to move supplies donated to and by American voluntary agencies.
2. AREA REDEVELOPMENT. The Banking and Currency Committee reported with amendment S. 3623, to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas (H. Rept. 2099). p. 11678
3. MILITARY CONSTRUCTION. The Rules Committee reported a resolution for consideration of H. R. 13015, to authorize construction at military installations, including authorization for financing from the foreign currencies acquired under Public Law 480 or through other commodity transactions of CCC. p. 11678, 11665

4. FLOOD CONTROL. The Public Works Committee ordered reported H. R. 9924, to authorize a compact between Conn. and Mass. relating to flood control. p. D622, 11666
5. IMPORTS. Conferees were appointed on H. R. 6006, to provide for greater certainty, speed, and efficiency in the enforcement of the Antidumping Act. Senate conferees have not yet been appointed. p. 11665
6. FOREIGN TRADE; SURPLUS COMMODITIES. Rep. Reuss expressed concern over the effects of Public Law 480 transactions on certain friendly foreign countries, and urged the Agriculture Committee to include a provision in legislation extending the program to require "reasonable precautions to avoid displacing usual marketings of foreign countries." pp. 11675-676
7. STATEHOOD. Delegate Burns, Hawaii, commended the admission of Alaska as a State, and urged passage of similar legislation for the admission of Hawaii. p. 11667
8. SURPLUS COMMODITIES. Received from this Department the first monthly report of the General Sales Manager concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which CCC owns or is directed to support; to Agriculture Committees. pp. 11554, 11677
9. FOREIGN AID. Received from the Deputy Manager of the Development Loan Fund, letters relative to the establishment of loans for Paraguay, Pakistan, and Thailand under provisions of the Mutual Security Act of 1954. p. 11677
10. DATA PROCESSING. Both Houses received from GAO a report on a survey made by that agency of the progress and trend of development and use of automatic (electronic) data processing in the business and management control systems of the Government. pp. 11554, 11677
11. FOREIGN TRADE. Both Houses received from the Tariff Commission a report on the operation of the trade agreements program. pp. 11554, 11677

#### SENATE

12. FORESTRY. Sen. Murray commended the Forest Service, commented on a progress report concerning the Northern Region, and inserted an editorial, "Access Roads Needed For Best Forest Use." pp. 11561-2
13. SMALL BUSINESS. Passed with amendments H. R. 7963, to make the Small Business Administration a permanent agency and increase the SBA loan authority (pp. 11558, 11589, 11595-601, 11606-15).  
Adopted the following amendments in addition to the committee amendments:  
By Sen. Javits, to authorize assistance by SBA in joint research and development programs (pp. 11597-11601);  
By Sen. Thyne, 55 to 26, to make the SBA a permanent agency (pp. 11606-10);  
By Sen. Morse, to make the act applicable to sales of property by the Government, which Sen. Murray had stated earlier was the result of complaints about timber sales (p. 11558) (pp. 11610-11); and  
By Sen. Capehart, to retain the Loan Policy Board of the Administrator and the Secretaries of the Treasury and Commerce (pp. 11611-12)  
Rejected an amendment by Sen. Bush to retain the present loan limit of \$250,000 in place of the \$350,000 suggested by the Committee (pp. 11612-13).



# House of Representatives

TUESDAY, JULY 1, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Psalm 84: 11: *The Lord God is a sun and shield; no good thing will He withhold from them that walk uprightly.*

Most gracious God, in this moment of prayer, may we surrender ourselves to the guidance of Thy divine spirit that our lives may be touched to nobler and finer issues.

Our needs are many but Thy grace is sufficient and Thy mercies outnumber all our necessities. Search us this day and cleanse us of all that is untrue and unholy.

Help us to understand more clearly that only when we bring our wills into accord with Thy will can we find freedom and courage, peace and power.

Grant that in these strange and troublous days the heart of humanity may be illumined with the spirit of love and inspired to read the meaning of life in terms of fellowship and service.

Hear us in Christ's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union.

## COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may sit while the House is in session during general debate today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 113]

Abbutt	Engle	Poage
Andersen,	Farbstein	Powell
Minn.	Fascell	Radwan
Anfuso	Fulton	Rains
Barden	Garmatz	Rhodes, Ariz.
Barrett	Gavin	Rivers
Bass, N. H.	Gregory	Robeson, Va.
Bass, Tenn.	Gwinn	Shuford
Bentley	Halleck	Sieminski
Brooks, La.	Harrison, Nebr.	Steed
Brownson	Healey	Talle
Buckley	Kearney	Taylor
Burdick	Kearns	Thomson, Wyo.
Christopher	Kilgore	Thornberry
Clark	Mack, Ill.	Trimble
Colmer	Mason	Vursell
Cooley	May	Williams, N. Y.
Dies	Miller, N. Y.	Wilson, Calif.
Diggs	Montoya	Wolveron
Ebenhart	Morris	Zelenko
Edmondson	Pilcher	

The SPEAKER. On this rollcall 359 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

## MUTUAL SECURITY APPROPRIATION BILL, 1959

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 4½ hours, one-half of that time to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. MARTIN. Mr. Speaker, reserving the right to object, I wonder if the gentleman would not amend his request to make it 5 hours, so that some of the Members who are not on the committee may have some opportunity to discuss the bill.

Mr. PASSMAN. Mr. Speaker, the gentleman from Louisiana is very agreeable to anything, hoping that he may get a little support on the committee's position; accordingly, I amend my request to make it 5 hours of general debate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 13192, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may require.

(Mr. PASSMAN asked and was given permission to revise and extend his remarks.)

Mr. PASSMAN. Mr. Chairman, the bill before the Committee is a request for an appropriation for the mutual security program for fiscal 1959. The bill is the culmination of many long, hard days, nights, weeks, and months of hearings and careful consideration by members of the Foreign Operations Subcommittee on Appropriations.

This is the people's business we are attending to today, and if the membership will remain on the floor the committee shall provide much information that will certainly be of interest.

In discussing the bill, I shall be factual and use only the record and memory to fortify the committee's position. Reams and reams of the information on which they attempted to justify excessive amounts are marked secret and classified and, to some extent at least, this is the work of the fixers which makes it difficult to answer many questions. Nevertheless, I will perform my prescribed duties to the fullest extent of my ability.

I have had to live for many recent days and nights with a heavy heart—a heart that could have been light rather than heavy had I received assurance of the support of the leadership on either side of the aisle and a word from top echelon officials who are demanding an excessive amount of funds for the foreign-aid program that they would relent their pressure tactics and accept an amount based on need and justification, as your committee has done, rather than placing a blanket approval upon the requests of thousands of bureaucrats who stand to gain, at least in prestige, if they can keep the program excessive and uncontrollable.

Even though the committee has been confronted with unprecedented pressure from without and within, our recommendations, reached after tedious study, have withstood the acid test.

We trust that the membership of this great body will consider the committee's recommendations upon the basis of merit, upon the basis of fact, upon the basis of admissions, and upon the basis of need. If such an approach is taken,



Mr. CHURCH. Mr. President, I certainly wish to associate myself with those remarks, and to pay my own personal tribute to the leadership of the junior Senator from Montana through the 8 days of debate on the Alaska statehood bill. He held the helm firmly. He showed great patience and understanding. I am personally very much indebted to him for the service he rendered. That statement also applies to the distinguished senior Senator from Montana, the Chairman of the Committee on Interior and Insular Affairs, who for many years has championed this cause. Without his help, the passage of the Alaska statehood bill would not have been possible.

#### STATEHOOD FOR HAWAII

Mr. WATKINS. Mr. President, last night during the final debate that preceded the vote favoring the admission of Alaska as our 49th State I stated that I hoped the time would speedily come when the Territory of Hawaii would also be brought into the Union as a State.

I sincerely believe that we can take that action yet this session. There is every reason why we should.

In the action on Alaska, Democrats and Republicans in both Houses have well demonstrated the fine bipartisan spirit and cooperation we need for favorable result.

We can add Hawaii as our 50th State yet this session, if we merely will to do it.

Personally, I hope that leaders in both Houses will see that we do have this opportunity. I see no reason why we should not have two proud new stars in our flag this next year—Alaska and Hawaii.

The Senate minority leader, the distinguished Senator from California [Mr. KNOWLAND], well knows from many years of experience as a resident of the Pacific coast the close and meaningful ties that we in the West particularly have with Hawaii. Last night he very ably called our attention to the need for consideration. He pointed out that both major political parties in their platforms have pledged their efforts for immediate statehood for the two Territories, one of which happily now has literally gained the starry realm. And Senators who have cast their vote for Alaska this week I am sure will want to do nothing less for Hawaii within the next few weeks.

As the Senator from California, our able minority leader, said: "We are doing half the job tonight."

I greatly hope that the majority leadership will bring speedily before us a bill providing statehood for Hawaii. Such a bill has long been on the Senate calendar. The House was first to pass the

bill for Alaskan statehood. Let us return the compliment—present the House with a Senate-approved bill for Hawaiian statehood. I am sure that it would meet a favorable reception.

At a later and more favorable time I hope to express in full my reasons for desiring to see Hawaii as a State in the Union.

For now, I ask that such a bill be brought to the floor. Time is passing swiftly and we have much ahead. Yet such an action as this need not take too much time and I, for one, am perfectly willing to extend our time in session here if by so doing we can assure that Hawaii, too, will be a State.

#### LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, I wish to say that the following bills may be taken up tomorrow or Thursday:

Calendar 1743, Senate bill 3916, a bill to amend the Shipping Act, 1916.

Calendar 1771, Senate bill 2474, a bill directing the Secretary of the Navy to convey certain land situated in the State of Virginia to the Board of Supervisors of York County, Va.

Calendar No. 1800, House bill 12457, a bill to further amend Public Law 85-162 and Public Law 84-141, to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 251 of the Atomic Energy Act of 1954, as amended, and for other purposes.

Calendar 1654, House bill 8439, a bill to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended, or the Immigration and Nationality Act.

Also certain private bills which have either been objected to upon the call of the calendar, or were not considered proper calendar business:

Calendar 780, House bill 6282, a bill for the relief of the former shareholders and debenture-note holders of the Goshen Veneer Co., an Indiana corporation.

Calendar 1184, House bill 1804, a bill for the relief of Robert B. Cooper.

Calendar 1557, House bill 7718, a bill for the relief of Roy Hendricks, of Mountain View, Alaska.

Calendar 1624, Senate bill 2629, a bill for the relief of John J. Spriggs.

Calendar 1636, Senate bill 489, a bill for the relief of Mary K. Ryan.

Calendar 1745, Senate bill 3894, a bill for the relief of Joseph H. Lym, doing business as the Lym Engineering Co.

Calendar 1811, Senate bill 3314, a bill for the relief of the city of Fort Myers, Fla., Lee County, Fla., and the Inter-county Telephone & Telegraph Co., Fort Myers, Fla.

It is the hope of the leadership that there will be no yea-and-nay votes on any pieces of legislation on either Wednesday or Thursday. It is the further hope that there will be no quorum calls on those 2 days.

#### ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. MANSFIELD. I move that the Senate adjourn.

The motion was agreed to; and (at 7 o'clock and 35 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, July 2, 1958, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate July 1, 1958:

##### OFFICE OF DEFENSE AND CIVILIAN MOBILIZATION

Leo A. Hoegh, of Iowa, to be Director of the Office of Defense and Civilian Mobilization.

The following-named persons to the positions indicated:

John S. Patterson, of Maryland, to be Deputy Director of the Office of Defense and Civilian Mobilization.

Lewis E. Berry, Jr., of Michigan, to be an Assistant Director of the Office of Defense and Civilian Mobilization.

##### MISSISSIPPI RIVER COMMISSION

Brig. Gen. William W. Lapsley, United States Army (lieutenant colonel, Corps of Engineers), to be a member of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved June 28, 1879 (21 Stat. 37) (33 U. S. C. 642), vice Brig. Gen. Lyle E. Seeman, reassigned.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate July 1, 1958:

##### UNITED STATES MARSHALS

Charles Swann Prescott, of Alabama, to be United States marshal for the middle district of Alabama, for a term of 4 years.

Joseph F. Job, of New Jersey, to be United States marshal for the district of New Jersey, for a term of 4 years.

#### WITHDRAWALS

Executive nominations withdrawn from the Senate July 1, 1958:

##### POSTMASTERS

###### IDAHO

Ernest L. Petterson to be postmaster at Irwin, in the State of Idaho.

###### SOUTH CAROLINA

Margaret H. Rountree to be postmaster at Elko, in the State of South Carolina.

###### WEST VIRGINIA

Macie K. Phares to be postmaster at Circleville, in the State of West Virginia.



then you will approve the recommendations of your committee.

I should like at this time to thank the hard-working members of the Foreign Operations Subcommittee for the cooperation and understanding they extended to me during the longest period of hearings of record by this subcommittee.

I should like to pay particular tribute to a former chairman of this subcommittee, a man of unimpeachable integrity, who is uncompromising with right. This great American has guided me through many dark valleys of uncertainties and offered me much sound advice. At the time I was placed under him 10 years ago on another subcommittee of which he is chairman, he suggested that if I wanted the esteem and respect of the Members of Congress I should never bow to political expediency at the expense of sacrificing principle. I have followed his advice and accepted his help with no regrets. I refer to my beloved and honored colleague, J. VAUGHAN GARY, of Virginia.

During my brief tenure as chairman of the Foreign Operations Subcommittee on Appropriations, three valued members of that committee have been called to the great beyond. We are now losing another great American and great legislator, but thank our Heavenly Father it is not through death, but through his desire to retire. I number him among my friends; and the Appropriations Committee, the House of Representatives, and all America will have lost a dedicated public servant when our esteemed colleague, DICK WIGGLESWORTH, retires.

Mr. Chairman, I will support with all the vigor that I can muster the bill before the committee. If the bill is considered upon the basis of facts, rather than generalities, when the debate is finished, the committee will be sustained in its recommendations.

I supported the great Foreign Affairs Committee last week when the motion was made to recommit the foreign-aid authorization bill.

I shall support our President and recommend sufficient funds to carry out our commitments abundantly.

My position in many instances has been misunderstood and, for that honest misunderstanding, harsh criticism has been my reward for endeavoring to discharge my constitutional responsibility.

The complexity of the foreign-aid program makes it very difficult for the most astute and dedicated members of the subcommittee to understand it, much less those who have not familiarized themselves with the details of the program and the hearings.

Without any unfavorable reflection on any member of this great body, or without intent of offense, I should like to quote from a verse that has made a deep impression upon my heart and mind:

It is time for public officials to stand today humbly before God and pray that He will give us men in public office who will do right. There can be no compromise with the need for strong minds, sincere hearts, true faith, and ready hands. Now as never before we need men whom the lust of office

cannot kill, men whom the spoils of office cannot buy, men who can face a demagog and scorn his treacherous flattery without flinching, men who will do the right thing in public action and private thinking.

I am not unmindful of my responsibility to defend the actions of the subcommittee and the full committee; and in this position maybe I am more cognizant of the designs on the trestleboard of those who would like to override the committee without justifiable reasons.

These known actions bring to my mind a poem which has meant so very much to me through a good part of my life. May I quote it in the hopes of making a point:

#### ARE YOU A BUILDER OR A WRECKER?

I watched them tear the building down,  
a gang of men in a busy town;  
With a ho-heave-ho, and a lusty yell,  
they swung a beam and a sidewall fell.  
I asked the foreman, "Are these men skilled,  
and the men you would hire if you had to build?"

He gave a laugh and said, "No, indeed;  
just common labor is all you need.  
I could easily wreck in a day or two  
what builders have taken a year to do."

I thought to myself as I went away,  
which of these roles have I tried to play:  
Am I a builder who works with care,  
measuring life by the rule and square,  
Am I shaping my deeds to a well-made plan,  
patiently doing the best I can?  
Or am I a wrecker who walks the town,  
content with the labor of tearing down?

On the basis of the thought of this poem, I plead with you against yielding to the pressure of those who refuse to understand that your committee has acted upon the basis of facts, and not fiction.

As we drive down Pennsylvania Avenue, we see two statues in front of the National Archives Building. The inscription on one of them reads: "What is past is prologue." The inscription on the second statue reads: "Study the past."

In reporting the committee's recommendations for your consideration, I shall ask that you take into account that the committee has studied the past. I shall preface my report on the amount recommended in this bill by mentioning some dollar figures of significance:

First. Our great generosity has prompted this Nation to give other nations of the world since July 1, 1940, a total of \$135 billion, but let us deal specifically with the postwar period. From July 1, 1945, through June 30, 1958, we have given or appropriated for expenditure for foreign aid the staggering total of \$82 billion plus. This is fantastic, but true.

To single out but one nation, our aid to France since the end of World War II has amounted to about \$9½ billion.

Second. For the RECORD and from the RECORD, our contributions to 7 Communist countries since July 1, 1945, have amounted to \$2¼ billion.

Another interesting résumé:

Third. Our public debt stands today at \$275 billion. The combined public debt of all other nations of the world amounts to only \$236 billion. In other words, our public debt exceeds that of all other nations of the world by \$39 billion. Fantastic? Yes. But this is for the RECORD and from the RECORD.

Another significant set of figures that I should like to mention:

Fourth. During the last full 5 calendar years under President Truman, January 1, 1948, through December 31, 1952, revenues paid into the Treasury amounted to \$247 billion. Out of this amount President Truman reduced the public debt during that same period by \$3½ billion.

During the first 5 calendar years under President Eisenhower's administration, January 1, 1953, through December 31, 1957, the total revenues paid into the Treasury amounted to more than \$365 billion. President Eisenhower collected during his first 5 years as President \$118 billion more than President Truman collected during his last 5 years.

But instead of reducing the public debt out of this fantastic amount of revenues, as did the former President, his administration increased the public debt from approximately \$266 billion to \$275 billion.

For fear of misunderstanding, it should be noted that the great revenues accruing to the Eisenhower administration during the period referred to was brought about to a large extent by continuing a tax increase placed upon the people to pay for the Korean war. Nevertheless, and sad as it may sound, it is now being admitted that the Eisenhower administration anticipates for the fiscal year of which this is the first day a Federal deficit of between \$10 and \$12 billion.

In all probability, the deficit will exceed that amount unless the Members of the Congress recognize their responsibilities and call a halt to so much unjustifiable dissipation of this country's great wealth. For example, may I remind, Mr. Chairman, that the amount of money in the bill before you must be borrowed because it will certainly not be appropriated out of surpluses.

Present deficit financing and excessive taxation was brought about because the administration, with the aid of the Congress, has attempted to be everything to everybody, everywhere.

In my candid opinion, time is running out, the time is overdue for all of us to face up to our responsibilities and start running the people's business on a businesslike basis and operating our Government on the basis of reasonable requests, rather than seeking to spend the maximum and support the requests of bureaucrats for strange programs they can justify only with halftruths, fancy phrases and scare phrases.

The time has come for all of us to give more fully of ourselves to bring some sense into the fiscal policies of our Government. The spending policy that we are following, if continued, will some day force this Government to either repudiate its public debt or shirk its duty and pass the burden along to unborn generations.

Mr. Chairman, the bill under consideration calls for an appropriation of new funds for the foreign-aid program in the amount of \$3,078,092,500. Add to this the unexpended balance on hand to the credit of the mutual security program in the amount of \$5,199,992,000. The total available is \$8,278,084,500.



I shall now discuss another matter, not in a critical manner, but to establish for the record the total cost of the foreign-aid program. The annual expenditure through the mutual security program from the Defense Department appropriations, as stated by Secretary Shuff, amounts to \$3 billion. This represents funds for overseas air bases, facilities, operations and maintenance. Under Public Law 480, there is an additional \$1 billion for expenditure in foreign nations. So, the actual foreign aid program is not only what is in the bill now before us, but includes amounts from two other bills; and the aggregate annual outlay is approximately \$8 billion.

Applying this percentage to the budget requests approved, we discover that approximately 12 percent of our annual total appropriations are going for foreign aid during fiscal 1959.

It should be stated for the record also that in excess of \$1 billion has been given for foreign aid out of the military in a way that it is never considered as an appropriation. This is known as surplus, or excess material, but it is certainly a part of foreign aid and the cost is borne by the taxpayers.

I invite your careful analysis of available statistics which will reveal that the cost of the foreign aid program in the postwar period has reduced the living standard or decreased the savings of the American laboringman by 16 percent. This was brought about to a large extent by rising costs of living from the inflationary program, the lessening of the purchasing power of the dollar, by excessive spending, and the great amount of additional taxes required from the laboringman to carry on such a worldwide program.

The record is abundantly clear that much of the foreign-aid money has been wasted, and that a close supervision would in all probability save the taxpayers many billions of dollars and bring into being a more satisfactory program.

So, on this basis, Mr. Chairman, we should consider an appropriation to fulfill the needs, and not to fulfill the maximum requests of dreamers.

It is my duty to inform you that the foreign-aid program clears the Bureau of the Budget intact. The Bureau permits the request to reach the Congress in the same amount as it is presented. This fact, within itself, indicates that the request comes to the Congress inflated.

Is such a situation true with respect to other Federal agencies? On the whole, the answer is "No."

Should it not also be detailed for the RECORD the great extent to which so many segments of our economy benefit from the foreign-aid program? To enumerate but a few of them:

First. Printing and publishing industry—books, newspapers, magazines, and periodicals.

Second. Motion picture industry—I am sure Mr. Eric Johnston would have an answer for this one.

Third. The great shipping industry, because the law provides that 50 per-

cent of the shipments must move in American bottoms.

Fourth. Manufacturing interests—tens of billions of dollars is a terrific windfall for those who have something to sell.

Fifth. Export and import firms—see page 504 of the hearings.

Sixth. Substantial profits for large commercial banking institutions—see page 503 of the hearings.

Seventh. Colleges and universities. Tens of millions of dollars annually.

Eighth. The clergy has an interest because there is an appeal in the bill that attracts their support—see page 1303 of the hearings.

Ninth. Military—because it gives them an opportunity to shift to the foreign-aid program equipment and material which they may wish to get rid of. This covers overbuying because they are reimbursed.

I should like to state for the record that out of the unexpended funds on June 30, 1958, \$211,641,000 remained on hand unobligated.

Let me state in a positive and emphatic way that the military assistance part of this program has no contact with the suppliers. The Defense Establishment does its purchasing, and some of the things this committee has caught them pulling would curl your hair.

I should like to impress upon you that under the military assistance portion of this program, the agency has a right under the Mutual Security Act to place the appropriation in a reservation category. Therefore, when it is claimed that all the funds are obligated, they are not really obligated; they are placed in that strange, untraceable reservation category.

Mr. Chairman, I almost shudder when I realize the foreign-aid program has grown to the extent that the total number of personnel employed in its operation on a worldwide basis now exceeds 40,000. Fantastic? Yes. Unbelievable? Yes. But it is true.

I should like to repeat that I shall defend and support an appropriation adequate to more than discharge our commitments and to meet the needs of the program. But may I repeat that unless the Members of Congress elect here and now to study the past and let that be their guide for the future, then we have permitted something to come into being that may never be brought under control and could very easily wreck the economy of this country.

Make no mistake about it, we are, past or present, in 70 of the other 86 nations of the world with so many different types of aid programs that even the members of the committee and ICA witnesses are without adequate information as to what is being done with our money.

Mr. Chairman, from on-the-spot observations, I myself have found that some of the nations receiving our aid have their warehouses bulging with excess equipment. Some of the MAAG chiefs in these nations, in spite of the fear of a reprimand from above, indicate that we are delivering more material to many nations than they can possibly absorb.

So as to fortify the committee in its position on the military assistance program, I invite your attention to page 776 of the hearings. Also, may I quote verbatim a question I asked Mr. Shuff, the Deputy Assistant Secretary of Defense:

How much of the equipment is available and serviceable now if it should be needed for defense against Communist aggression?

Reply by Mr. Shuff:

I do not know that anybody could answer that question. I would guess that a substantial part of it would be available and ready. I would not know how to begin to estimate that or to get a factual answer to your question.

Continuing, I asked this question:

Mr. Shuff, if we are continuing to appropriate money for military equipment, I should think that we need some system whereby we can check and know what part is being deleted from prior inventories as non-serviceable and what portion we are replacing. Maybe we are providing equipment they do not need.

I pursued the examination on subsequent days, and finally when the Deputy Assistant Secretary understood that our subcommittee was determined to know the facts he wired the MAAG chiefs in several of the recipient nations. Believe it or not, the MAAG chiefs admitted, in their replies, that of the tens of billions of dollars worth of equipment given to foreign nations all over the world, 92 percent of it was available and ready for use. I quote the Secretary's letter dated June 27, 1958:

DEAR MR. CHAIRMAN: You may recall that I reported to you that I had requested the Military Assistance Advisory Groups in the Near East to assist me in arriving at an estimate of the percentage of equipment delivered since the beginning of the military assistance program in Near East countries that is currently available and serviceable for combat.

I now have the information from the Military Assistance Advisory Groups and have arrived at an estimate of 92 percent. This figure was derived as a weighted average on information from Iraq, Greece, Turkey, and Pakistan. Within each country, the estimates were developed from separate data for ships, aircraft, tanks and combat vehicles, motor transport vehicles, weapons and electronics and other equipment.

CHARLES H. SHUFF,  
Deputy Assistant Secretary.

Mr. Chairman, the record is unmistakable that we are continuing, year after year, to ship equipment to nations which already have an excess of the same equipment.

This committee established for the first time this year the hard way that the basis for determining the need for military equipment has been guesswork. Their estimates have been so confused that they support only one conclusion—no one really knows how much military equipment is available. By the same token, it is just as much a guess as to how much is needed.

For a fantastic story that should red- den the faces of the Members, please turn to pages 800 and 801 of the hearings and read for yourselves a real "jeep story," dealing with the pipeline in the military.



The Members should know that the committee has forced these people to admit that in some instances there is sufficient equipment in the pipeline to sustain certain phases of the program for many years. See page 1146 of the hearings.

You will also find a good story on page 1144 of the hearings, with relation to this phase of the program.

Defense support is an innocent sounding caption. The people downtown are past masters at coining phrases and names to attach to these programs which certainly mislead me, and doubtless also the American public.

So that the record will be abundantly clear, let me state that defense support is 100 percent economic aid; and a great part of it is spent for programs in foreign countries in a manner that would be laughable if we attempted to spend money for the same types of programs in this country without first establishing a benefits-to-cost ratio.

Let us not be misled, the defense support part of this program in all probability has been responsible for more bribery, overpricing, conniving and profit-taking on the part of officials and friends of officials in foreign nations than any program ever conceived by the mind of man. But even in the face of this fact, we are recommending that you appropriate an additional \$700 million to be added to the \$910,628,000 now on hand undisbursed.

I shall not violate the trust of my office; but I do respectfully urge each Member of this Congress to get copies of the General Accounting Office reports covering the findings in Laos, Cambodia, Vietnam, Thailand, Korea, and many others, if you are interested.

But, to cite an example from the record, listen to this:

There is one nation whose currency we are supporting at the rate of one American dollar to thirty-five of theirs. However, in the market places of Hong Kong, Bangkok, and other places, the rate is 100 to 1. So the manipulators of these transactions have 286 percent profit on the exchange before starting the more profitable skulduggery.

On one invoice that the ICA paid in the amount of \$207,000, it was later discovered by the GAO that the estimated value was \$33,000. There are millions of dollars involved in overpricing, and time will not permit the disclosure of more instances. However, for detailed information, I refer you to page 509 through page 540 of the hearings.

Many of the statistics indicated in this résumé of the program are for the purpose only of familiarizing the Members with what the Appropriations Committee contends in the careful examination we give the requests.

We hope these citations are the exception, and not the rule; but they certainly indicate what can happen when such an agency has excessive uncontrolled funds to disburse freely and loosely.

The Development Loan Fund came into being last year. It was only a baby then, but it is about to grow into a roaring giant.

This is a program that is sometimes mislabeled loans. But to a large extent what we get in return for our money, to call them loans would be just about as misrepresenting as to call a skunk a mink, or a jackrabbit a vicuna.

Last year, the President asked for an authorization of \$2 billion, and \$500 million in cash. The Congress just did not buy that package. The Congress did however, authorize \$925 million for the development loan program, and the Congress appropriated \$300 million.

This year the President is requesting that the Congress appropriate in a lump sum the additional \$625 million of the authorization that he did not get last year. In my opinion, this is the most exaggerated request ever to be referred to an Appropriations Committee, and I believe that I can establish the accuracy of this statement:

Out of the \$300 million the Congress appropriated for the Development Loan Fund last year, not one dollar has been disbursed for a loan. The Department did, however, reduce the \$300 million appropriation to \$295,118,000.

The committee as of this time does not actually know for what purpose the Department spent the \$4,982,000, but we must assume that it was for administrative and organizational purposes.

They say that they have obligated \$125 million of the amount; they further indicate for the record that they had on hand unobligated on June 30, \$175 million, of the original \$300 million. But I say to you, Mr. Chairman, with the printed record to back up the Committee, that on June 20 the Department had actually signed only one loan agreement in the amount of \$500 million.

All of the other high-faluting phrases they used to justify their request for additional funds are available from their own worksheet which is captioned "Status of Loan Funds as of June 20, 1958," and shows:

Loan agreements signed, \$5 million.

Letters of Advice issued, \$114,400,000.

This totals \$119,400,000, and with the amounts spent for "you name it" mentioned earlier, represents what they term obligations in the amount of \$125 million.

There are other captions which are most intriguing, such as "Letters of Advice Pending," "Loans Earmarked," and so forth.

Before the day ends you will hear it stated that the ICA has requests from 42 nations for these soft currency so-called loans, aggregating \$2,200,000,000. I dare say that in another year the number of nations requesting a slice of this money-pie could very easily number 84 and the aggregate could be four, five, or maybe six billion dollars.

Mr. Chairman, we do have dreamers who are looking for places to spend the Development Loan Fund. I should like to quote as one example, from a letter addressed to the American Cotton Manufacturers Institute, signed by Mr. Nathaniel Rafler, of the International Cooperation Administration in the Department of State. I quote as follows:

Confirming my comments of this morning, I wish to reiterate that ICA is prepared to

render many forms of assistance to any one or more of your members who may be interested in establishing textile plants in Indonesia. If any of them are interested in such an investment, we believe it would be preferable for the investment to be in the form of a joint venture with Indonesians so far as the equity is concerned.

ICA would be prepared to make loans from its New Development Loan Fund. We would also be prepared to insure such investments against the political risks of expropriation, inconvertibility of currency, and war damage. Furthermore, we could furnish technical assistance by financing on-the-job training in Indonesia or training here in America for Indonesians in technical and managerial skills.

We might also be able to finance the installation of public facilities such as power, transportation, etc., if not otherwise available near desirable plant sites. These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

Mr. Chairman, will the textile industry in America be able to compete with textile products manufactured with American dollars by American manufacturers in countries where for centuries industry has employed coolie labor, and in many of these countries 15 cents per day is considered fair wages?

What about other industries which might be transplanted from other congressional districts to some of these nations that use coolie labor?

We had better think through the implications involved in such a policy.

Mr. Chairman, will the Members of this House not agree that the \$300 million given to this agency last year, plus the \$300 million now recommended, for a total of \$600 million less the disbursed amount, is sufficient for this new worldwide experiment?

Should the Congress abdicate and turn completely loose the supervision of such a fantastic sum until this roaring giant can be observed for at least another year or two?

Time is running out, and we have a lot of unidentifiable items that we will not be able to mention, but to cover a few more:

There is the development assistance program for which the Congress has not made an appropriation since 1957. Yet there is in excess of \$168 million carried unexpended and as an obligation.

There is another item listed as "Prior year programs," amount: \$746,000. There is no explanation at all as to what this represents.

Another item in the category of unexpended funds is listed as "Undistributed programs," amount: \$17,693,000.

We hope some day to be able to put our finger on what these miscellaneous undistributed programs represent, and to learn whether or not they are actually obligations.

I do not wish to be critical, but to be factual on a few others:

We have a sizable sum carried as an obligation for the Hungarian refugee program, the Polish refugee program, the Egyptian refugee program.

I think we should also state that under technical assistance there is an obligation in excess of \$13 million being carried over for expenditure in Egypt at some future date.



Mr. Chairman, under the President's special assistance fund, your committee is recommending \$185 million, the amount the House authorized.

Likewise, your committee is recommending \$100 million for the President's contingency fund. That is the same amount that the House Foreign Affairs Committee originally authorized. There is no program and no indication of a program for this large sum of money. It is just a question of the Congress following in blind faith and issuing a blank check.

I hope that the action of the committee in reducing this recommendation below the conference figure will refresh the memory of the Members of this House that several years ago the President asked for what became known as the President's Asian fund. The President requested \$200 million, but the Congress, in its wisdom, allowed only \$100 million.

Oh, how I was orally spanked for the part I played in making this reduction.

But what happened?

The \$100 million remained available for almost 3 years, and after 3 long years, the spenders managed to disburse less than \$12 million, leaving untouched \$88 million.

A few weeks ago the amount mentioned was unobligated, but time was running out, the 3-year limitation was expiring. Therefore, before you could say scat, we learned that they had obligated most of the fund. For what? Your guess is as good as mine.

I called the Department and assured them I believed the committee would recommend that the Congress continue available the entire amount of the President's Asian fund, in the hopes that if they had indulged in the practice of making questionable obligations, such action would be undone.

There are 14 other items in which the committee did not recommend any reductions below the authorizing legislation.

I insert here detailed statistical information relative to the program:

Program by name and amount

	Amount	Total available for expenditure
1. Military assistance:		
Unexpended June 30, 1958.....	\$3,359,502,000	
New funds.....	1,515,000,000	\$4,874,502,000
2. Defense support:		
Unexpended June 30, 1958.....	910,688,000	
New funds.....	700,000,000	1,610,688,000
3. Development Loan Fund:		
Unexpended June 30, 1958.....	205,118,000	
New funds.....	300,000,000	595,118,000
4. Development assistance:		
Unexpended June 30, 1958.....	168,211,000	
New funds.....		168,211,000
5. Special assistance:		
Unexpended June 30, 1958.....	126,288,000	
New funds.....	185,000,000	311,288,000
6. President's Asian fund:		
Unexpended June 30, 1958.....	88,677,000	
New funds.....		88,677,000
7. President's contingency funds: <sup>1</sup> New funds.....	100,000,000	100,000,000

<sup>1</sup> New program.

Program by name and amount—Continued

	Amount	Total available for expenditure
8. Technical cooperation bilateral:		
Unexpended June 30, 1958.....	\$165,899,000	
New funds.....	150,000,000	\$315,899,000
9. Technical cooperation, U. N.:		
Unexpended June 30, 1958.....	9,500,000	
New funds.....	20,000,000	29,500,000
10. Technical cooperation, Organization of American States:		
Unexpended June 30, 1958.....	998,000	
New funds.....	1,500,000	2,498,000
11. Joint control:		
Unexpended June 30, 1958.....	6,770,000	
New funds.....		6,770,000
12. Atoms for peace:		
Unexpended June 30, 1958.....	6,100,000	
New funds.....	5,500,000	11,600,000
13. North Atlantic Treaty Organization:		
Unexpended June 30, 1958.....	1,000,000	
New funds.....		1,000,000
14. Intergovernmental Committee for European Migration:		
Unexpended June 30, 1958.....	5,500,000	
New funds.....	12,500,000	18,000,000
15. U. N. Refugee Fund:		
New funds.....	1,200,000	1,200,000
16. Escapee program:		
Unexpended June 30, 1958.....	1,800,000	
New funds.....	8,600,000	10,400,000
17. U. N. Children's Fund:		
Unexpended June 30, 1958.....	6,775,000	
New funds.....	11,000,000	17,775,000
18. U. N. Relief and Works Agency:		
Unexpended June 30, 1958.....	6,428,000	
New funds.....	25,000,000	31,428,000
19. Ocean freight:		
Unexpended June 30, 1958.....	100,000	
New funds.....	2,100,000	2,200,000
20. Control Act:		
Unexpended June 30, 1958.....	160,000	
New funds.....	1,000,000	1,160,000
21. Administrative expenses, ICA:		
Unexpended June 30, 1958.....	5,511,000	
New funds.....	33,000,000	38,511,000
22. Administrative expenses, State:		
Unexpended June 30, 1958.....	3,105,000	
New funds.....	6,692,500	9,797,500
23. Hungarian refugee:		
Unexpended June 30, 1958.....	6,500,000	
New funds.....		6,500,000
24. Egyptian refugee:		
Unexpended June 30, 1958.....	200,000	
New funds.....		200,000
25. Special program, Polish refugee:		
Unexpended June 30, 1958.....	5,600,000	
New funds.....		5,600,000
26. Special program (classified):		
Unexpended June 30, 1958.....	1,123,000	
New funds.....		1,123,000
27. Undistributed programs (unexplained):		
Unexpended June 30, 1958.....	17,693,000	
New funds.....		17,693,000
28. Miscellaneous prior year programs (unexplained):		
Unexpended June 30, 1958.....	746,000	
New funds.....		746,000
Total.....		8,278,084,500

Mr. Chairman, I was asked to explain the reason for the unprecedented pressure to obtain the entire Budget request for the foreign-aid program without suf-

ficient justification. I endeavored to reply humorously, but nevertheless, factually.

I stated that some among the leadership in the Congress want the full authorization request because the President wants it; Ike wants it because John Foster wants it; John Foster wants it because Eric Johnston wants it; Eric Johnston wants it because Dillon wants it; Dillon wants it because Smith wants it; Smith wants it because Murphy wants it; and Murphy wants it because, as Controller of the ICA, his prestige is enhanced because he can disburse these funds to 40,000 ICA employees scattered throughout almost the entire world.

The committee is recommending an amount abundantly adequate to accomplish the objectives of the program, even the questionable objectives, and even accepting some rather weak justifications.

The committee is fully fortified in its position by clear-cut admissions by past and present administrators.

May I quote from page 189 of the hearings for fiscal year 1958. I asked Mr. Hollister, the then Administrator of the ICA, if he would agree that we had actually appropriated too much money for his program for the previous year.

Mr. Hollister replied, and I quote him verbatim:

More than they were able to obligate.

Continuing, I asked:

Is the record clear that we did not damage the program by reducing the appropriation last year?

Mr. HOLLISTER. The record speaks for itself.

Mr. PASSMAN. I shall accept that as an affirmative answer.

Quoting from the hearings of this year, I asked Mr. Dillon:

Are all phases of the program sufficiently financed, and are commitments being met to a reasonable measure?

Mr. Dillon replied:

They are sufficiently financed; yes, Mr. Chairman.

Question asked Mr. Sprague:

Would the data not indicate that the program has been operating on a satisfactory basis and that our commitments are being lived up to in a reasonable manner?

Mr. SPRAGUE. I feel that your statement is substantially correct.

I then asked Mr. Sprague another question, and he replied:

The reductions that the Congress has effected in the program have assisted the executive branch in administering the program in a more efficient manner, there is no question about it.

Mr. Chairman, it has been my privilege and high honor to help present this bill for your consideration for 4 years. This committee has not misled you. The record of the past 3 years will sustain the committee's position and will sustain with credit every Member who supports the committee's findings and recommendations.

The committee desires your vote and support based upon its past record of performance. I plead with you to support the committee's position; you will be on solid ground.



The committee has tried to do a creditable job for you.

I am sure I speak for a majority of the members of our subcommittee and the full Committee on Appropriations when I repeat that our recommendations are based upon fact, and not fiction. Our case has been laid on solid rock.

One final statement, and I make this without fear of successful contradiction:

There is no record of substantiated evidence in the hearings where the Kremlin has given as much as one inflated ruble to any nation. Their assistance has been in hard-boiled business loans, and most of them on short terms and well secured; but the propaganda machines continually grind out information to the contrary. This has caused us to enter into a lot of strange agreements in a lot of strange places.

The Russians are strong on promises and short on deliveries.

It has been stated that Russia's Lenin once said, in effect, "Give the United States sufficient time, and it will spend itself into bankruptcy."

We can attribute the idea to Lenin, but if we are not careful, we may attribute the fulfillment of the prediction to Krushchev.

Now, Mr. Chairman, may I continue with my discussion, with further facts for the record and from the record:

A complete study of the hearings of the Subcommittee on Foreign Operations Appropriations would, I am confident, convince even the most skeptical Member of the House of the factual basis for the remarks which I have made today. It is my sincere hope that each Member will read the record of those hearings, from cover to cover.

For the present, however, may I quote some excerpts at random:

From page 13:

Mr. PASSMAN. Are all phases of the Mutual Security program sufficiently financed, and are commitments being met to a reasonable measure at this time?

Mr. DILLON. They are sufficiently financed; yes, Mr. Chairman.

From pages 14 and 15:

Mr. PASSMAN. You do know, of course, that each category \* \* \* year after year has had an unobligated balance which would have lapsed had the Congress not reappropriated it. You are familiar with that fact, are you not?

Mr. DILLON. Yes, sir. \* \* \*

Mr. PASSMAN. We have had statements equally as strong in the past \* \* \* that certain things would happen to the program if they did not get the entire budget. We discounted the pleadings to some extent, and made substantial reductions, only to find out a year later that we had even then given too much money and they could not spend it. You are familiar with that condition, are you not?

Mr. DILLON. Yes, sir.

Quoting now from pages 16 and 17:

Mr. PASSMAN. Of course, we both work at a disadvantage in endeavoring to establish the needs of a program of this kind. You stated a moment ago that you have some ten thousand plus employees, and many of them are assigned to the nations where we have this program. It is correct that you rely a great deal upon the information provided by them to be able to firm up the program here in Washington?

Mr. DILLON. That is correct.

And from page 19:

Mr. PASSMAN. Therefore, these so-called loans are of such nature that you must go to this type of fund because there is no private banking facility which you know of, or the Export-Import or World Bank, which would handle the projects that will finally be financed by the development loan program?

Mr. DILLON. That is correct.

From page 45:

Mr. PASSMAN. As we are discussing development loans, I might indicate for the record that on January 31 funds available for obligation totaled \$300 million; obligations were none \* \* \*. I think it is also true of the statement for April 15, 1958, that loan agreements signed totaled none. It is correct that no loan agreements have been signed?

Mr. DILLON. Yes.

Now, from page 43:

Mr. PASSMAN. Do you have any other reports, such as from the Corps of Army Engineers, who have nothing personally to gain or lose as a result of these projects? Have you any information of this type \* \* \* ?

Mr. DILLON. None as yet.

Again, from page 45:

Mr. PASSMAN. Is it not true that in many instances the Soviets are making a tremendous profit on their loans? \* \* \*

Mr. DILLON. It is different in different places.

Mr. PASSMAN. You have heard the story. It is subject to discount?

Mr. DILLON. In the case of Burma I think it is correct.

Now, quoting from page 46 of the hearings this question was presented:

I would like to know how many nations of the world are receiving aid of one kind or another under this program.

Mr. DILLON. Military aid only, 11 countries; economic and military aid combined, 30 countries; economic aid only, 22 countries. \* \* \*. In addition there are 10 territories which are receiving economic aid only. \* \* \*

Mr. PASSMAN. I have a list showing 70 of the other 86 nations. \* \* \* Is it true that last year \* \* \* the gentleman stated that, past and present, 67 of the other 86 nations had received aid or would receive aid under the foreign-aid program?

Mr. MURPHY. Yes, sir.

Mr. PASSMAN. Which would make a total, past and present, of 70 of the other 86 nations participating in the foreign-aid program as we know it?

Mr. MURPHY. Yes, sir.

From an exchange with ICA Director Smith—pages 63 and 64:

Mr. SMITH. A 17 percent reduction (for the bilateral technical cooperation program).

Mr. TABER. But that was a larger amount than was expended in the previous year?

Mr. SMITH. Yes, sir.

Mr. PASSMAN. And you also have a longer pipeline than you have ever had on that item?

Mr. MURPHY. Yes, we do.

Still more—from pages 71, 72, 73, and 74:

Mr. PASSMAN. I think there must be some honest misunderstanding about some of the items you mention. I refer particularly to the United States technical cooperation program. In fiscal 1957, the request was for \$136,620,000, which amount the committee allowed. However, you were able to obligate only \$124,567,000 of the total, so when the presentation was made \* \* \* last year there was an unobligated balance of \$12,053,000. \* \* \*

Mr. SMITH. Those figures are correct. \* \* \*

Mr. PASSMAN. So we allowed more funds for fiscal 1958 than the program had been able to obligate in fiscal 1957. \* \* \* We wish to know the projects that were dropped, \* \* \* which projects were postponed, which ones were underfunded. \* \* \* We should like, also, to know the number of technicians that were dropped. Are you ready to discuss these matters?

Mr. SMITH. No.

Further, during the same discussion:

Mr. PASSMAN. What is the total of these obligations through March?

Mr. MURPHY. Sixty-three million seven hundred and sixty-nine thousand dollars.

Mr. PASSMAN. Just a little more than 50 percent of the \$125 million had been obligated at the end of 9 months of operation?

Mr. MURPHY. That is correct.

Mr. PASSMAN. What was the total of unexpended funds in the account?

Mr. MURPHY. Ninety-seven million four hundred and seventy-nine thousand dollars was unexpended on February 28.

At another point during the exchange:

Mr. PASSMAN. We had better clarify this situation even if it calls for a brief recess.

I wish to inform the Members that the committee was recessed in order to provide Mr. Smith and his assistants opportunity to document Mr. Smith's statement that the amount of the fiscal 1958 appropriation for technical cooperation had resulted in termination of projects, postponement of others, underfunding and understaffing, the dropping of participants and technicians. They were unable to do so to any substantial degree in an appearance before the committee following the recess.

I refer the Members to pages 75 through 151 of the hearings for these details.

From pages 151 and 152:

Mr. PASSMAN. Would you state your understanding of the economy of Lebanon as compared to the general standard of that section of the world?

Mr. SMITH. It is economically quite sound. It is enjoying a reasonable level of prosperity. \* \* \* The per capita share of the gross national product is substantially higher than any of the other countries in that area.

And this one is from page 193:

Mr. SMITH. Some days it seems as though these hearings are pretty long and arduous and don't produce results, but I would like to say, as far as ICA is concerned, that the questions you have asked us about our original presentation have led us to review and reanalyze a lot of our thinking. I think this hearing has been a very useful thing for us.

This is an excerpt from page 203:

Mr. PASSMAN. \* \* \* When we speak of the military-assistance program under the mutual-security appropriation, that is one thing; but we have also a very large military program that is paid for out of the Defense Department appropriation for air-bases, maintenance, personnel, and equipment?

Mr. SPRAGUE. Yes, sir.

Mr. PASSMAN. How does that amount compare to the amount of the appropriation being requested here?

Mr. SHAW. If you are talking in terms of how much the United States spends abroad, from military-functions appropriations, it is, roughly, \$3 billion a year.

Mr. PASSMAN. The amount which is spent from the direct military appropriation abroad



is almost double the amount being requested in this program?

Mr. SHAW. That is correct, sir. That includes all expenditures of United States military forces.

Mr. PASSMAN. And equipment and bases?

Mr. SHAW. Yes; the equipment purchased abroad, but not American equipment taken abroad.

Mr. PASSMAN. \* \* \* We spend, overseas, about \$3 billion out of the regular military appropriation, as compared to \$1.8 billion spent, for the military program, from this appropriation?

Mr. SHAW. Yes, sir.

Reading now from pages 217 and 218 of the hearings:

Mr. PASSMAN. If you are going to obligate according to the chart here, would you actually need 18 months in which to obligate the money? \* \* \* You are traveling in that direction, to get the period of time back to 12 months? \* \* \*

Mr. SHUFF. I would think that we are trying to do what you are suggesting here.

Mr. PASSMAN. To work back to a 12-month limitation on obligations?

Mr. SHUFF. I think we might want to arrive at that. \* \* \*

Mr. PASSMAN. You have had that law (for 18 months' availability) for only 1 year?

Mr. SHUFF. That is right.

Mr. PASSMAN. You are already going in the other direction, bringing the time back to 12 months? \* \* \* I liked your statement that the trend was going back to 12 months. I will not press that point for further comment, but I want the record to indicate that we may eventually get back to a 12-month type of operation.

Please listen carefully to this, from pages 251 and 252:

Mr. PASSMAN. Mr. Secretary, there has been a tremendous amount of publicity given to the foreign aid program, \* \* \* indicating that great damage had been done to this program in the past. However, using the figures that you have given to us in your forthright report this morning, and the reduced amount of (military assistance) new obligational authority for fiscal 1959, would the data not indicate that the program has been operating on a satisfactory basis and that our commitments are being lived up to in a reasonable manner?

Mr. SPRAGUE. I feel that your statement is substantially correct.

At another point during the same discussion:

Mr. PASSMAN. I wish to indicate for the record that the Legislative and Appropriations Committees (and the Congress) during the past 3 fiscal years have reduced the amount of the executive department request by \$2,215,821,750. To be told by many witnesses appearing before this committee that our commitments are being lived up to in a reasonable manner certainly causes the committee to feel that it has been justified in helping streamline the program by making the reductions in the past. I think the record certainly backs up the committee in its position.

Mr. SPRAGUE. I am sure.

Mr. PASSMAN. I think you are very fair in stating that substantially my statements are correct in that respect.

Mr. SPRAGUE. The reductions that the Congress has effectuated in the program have assisted the executive branch in administering the program in a more efficient manner; there is no question about that.

Another interesting excerpt, from pages 267 and 268:

Mr. PASSMAN. We know that in many cases the personnel connected with the ICA the military and other branches have traveled

about over the country making speeches selling foreign aid. Are the travel and per diem at the expense of the Department, or does the individual pay his own expenses?

Mr. SHUFF. The Department pays the expenses.

I refer the members to pages 271, 272, 273, and 274 of hearings for the listing of speeches made during 1957 by officials of the State Department, the ICA and the Department of Defense.

From page 296 of the hearings:

Mr. PASSMAN. It has been suggested before this committee, unfortunately off the record, that one of the main features of the Development Loan Fund was that it would provide an opportunity for the recipient nations to save face and protect their pride \* \* \* that the \* \* \* Fund serves to make it easier for the other nations to accept the grants if we put the aid on the basis of a loan. \* \* \* I believe, Mr. Secretary, you have previously expressed the conviction that the development assistance, whether offered by grant or loan, would be of no great value if handled on such a basis that the same problem in a given country recurs year after year. Is that still your opinion?

Secretary DULLES. Yes.

From page 302:

Mr. PASSMAN. Am I correct in stating that the President's Special Fund for Asia requested \$200 million; Congress appropriated \$100 million; and after 2 years, in that particular fund, you had only obligated about \$6,300,000? \* \* \* It is one of the special funds and it was reduced by \$100 million and we were criticized for doing so. Now it appears that unless it has been obligated this year about 95 percent of it is going to lapse.

Secretary DULLES. It has not been obligated.

Now, from page 319:

Mr. PASSMAN. Did I hear you correctly, Mr. Secretary, that our aid to France during the past 10 years in all categories exceeded \$8 billion?

Mr. DILLON. \$8.4 billion, Marshall plan and military.

Mr. PASSMAN. That does not include any loans?

Mr. DILLON. That doesn't count loans.

From page 326:

Mr. PASSMAN. Which would bring the total (of proposals) to the \$3 billion?

Mr. McINTOSH. Approximately.

Mr. PASSMAN. That is an indication that within 3 or 4 years the total could amount to \$15 billion or \$20 billion or more. There would be no limit when people find out what a bonanza this is. This is developing so fast it is frightening. \* \* \* Thus far we have approved only \$126 million in loans and you are already talking about applications of \$3 billion. \* \* \* I hope we do not create a Frankenstein that will devour us.

From page 347:

Mr. PASSMAN. The Congress, after hearing the testimony, appropriated only \$300 million, and the fund actually has been able to obligate only approximately \$125 million of that amount?

Mr. DILLON. That is roughly correct.

This excerpt is from page 353:

Mr. PASSMAN. Mr. Secretary, under the development-loan-fund program, is it true that if you make a loan to, we shall say, Country B, and you accept repayment in local currencies of Country B, you cannot spend those local currencies in any other nation? \* \* \*

Mr. DILLON. As a practical matter, the local currencies of these underdeveloped countries at the present time are not of much use to spend outside of their own borders. \* \* \*

Mr. PASSMAN. You couldn't take the currency, if you made a loan to Country B, and spend it in some other country without Country B's permission in the contract?

Mr. DILLON. That is correct, sir.

From page 354:

Mr. PASSMAN. The fact remains that if the chips were to be down \* \* \* and we had local currency in repayment of these loans, if they were still considered underdeveloped, you wouldn't expect them to permit us to bring rubber or tin (or other commodities) out of that country and make payment in their currency?

Mr. DILLON. No, sir.

From page 355:

Mr. PASSMAN. Could you state, for the record, the amount of soft currencies now on hand or to the credit of the United States in these foreign countries under loans that we make through the soft-currency programs?

Mr. MURPHY. The unexpended balance of all currencies administered by the agencies of the Mutual Security program \* \* \* as of June 30, 1958, is projected at \$1,880,000,000 equivalent.

Reading now from page 373:

Mr. PASSMAN. Are many of the projects undertaken under Defense Support allocations not the same types of programs the development loans would finance, such as highways, bridges, and the like?

Mr. DILLON. There has been a very close connection there, very similar.

This is from page 418 of the hearings:

Mr. PASSMAN. I was recently informed that upon examination by a committee, the Hoover Commission discovered more than 2,000 different projects and programs undertaken, with many of them dropped because they were poorly founded in the first place.

Would you say that statement is substantially correct?

Mr. MURPHY. The number 2,000 is not out of line.

From pages 503 and 504:

Mr. PASSMAN. They (the military services) are reimbursed for transfers out of their stocks into this program \* \* \* there is an exchange.

Mr. SHAW. That is correct.

Continuing with more excerpts. This one from page 503:

Mr. PASSMAN. Fifty percent of the shipments must move in American bottoms?

Mr. MURPHY. That is correct.

From page 504:

Mr. PASSMAN. Somewhere down the line there is a profit \* \* \* for that type of broker?

Mr. MURPHY. Yes, sir. People make a profit \* \* \* all along the line.

From page 503 again:

Mr. PASSMAN. But there is quite a profit \* \* \* for commercial banks for handling these transactions?

Mr. MURPHY. Undoubtedly, sir.

Another from page 504:

Mr. PASSMAN. Billions of dollars go into industry out of this appropriation?

Mr. MURPHY. Yes, sir.

From page 505:

Mr. PASSMAN. Could you state for the record the amount in the bill which actually goes for the purchase of newspapers, magazines, periodicals and films to be used? \* \* \* (This information was inserted in the record.)

"It is estimated that the cost of newspapers, magazines, periodicals, and technical books may approximate \$900,000 for fiscal year 1958. It is also estimated for the same



fiscal year that the cost of training films will be between \$300,000 and \$500,000. These estimates do not include the cost of items which may be purchased directly by the missions. For fiscal year 1959 it is estimated that costs similar to those for 1958 will be incurred."

I shall now quote some items with reference to Laos:

The first is from page 525:

Mr. PASSMAN. I was informed on what I accept as valid authority that the wife of the Health Minister of Laos at one time had the only license by which medicines and insecticides could be imported into the country. Is that your understanding?

Mr. STAPLES. We did not get this particular information. (But) one item that we got was that both the Prime Minister and the Minister of the Interior own banks in Laos, and the commercial banks get the business from the National Bank of Laos. We also heard that some of the other members of the Cabinet—I do not recall which and here, again, it is something that is pretty hard to nail down—

Mr. PASSMAN. There is a lot of smoke, and if you get into the fire, you may get burned?

Mr. STAPLES. Yes, sir; that is right. The point is that we are not in a position to investigate those things.

Mr. PASSMAN. Your authority does not permit you to go that far?

Mr. STAPLES. No, sir.

Another one from page 525:

Mr. PASSMAN. At present, we are supporting the Lao kip at 35 to 1 American dollar, although the free rate prevailing in adjacent countries is 100 to 1?

Mr. STAPLES. That is correct. \* \* \*

Mr. PASSMAN. This means that our cost in this program, then, would be almost three times as great as the record indicates insofar as values received are concerned?

Mr. STAPLES. That is right.

From page 526:

Mr. PASSMAN. Officials of Laos could be profiting by millions of dollars out of this program?

Mr. STAPLES. That seems to be the general story that is running around. There is no question but what there has been profiteering.

From pages 526 and 527:

Mr. PASSMAN. Would the program be balanced if we permit them, as we have done, to import far in excess of their needs?

Mr. STAPLES. From an economic standpoint there is no question it constitutes an unbalanced program; fundamentally it is unsound.

Another excerpt from page 527:

Mr. PASSMAN. You report on page 8 of your statement: "A plan offered by United States officials at high level meetings in Washington in January of 1958 was rejected by Lao representatives."

Mr. KELLER. That is what we understand. Negotiations for currency reform.

Mr. PASSMAN. You indicate that very little progress is being made?

Mr. STAPLES. Yes, sir.

Mr. PASSMAN. Would this be an indication that what we might call the "windfall" to public officials of Laos is so great they do not want to give up any part of it?

Mr. STAPLES. You might consider that a reasonable conclusion.

From page 528:

Mr. PASSMAN. I refer to a sentence on page 7 of your statement: "However, some of the larger projects have fared poorly in terms of administration and accomplishments." \* \* \* That is a statement which could be

used without the chairman being accused of quoting out of context?

Mr. STAPLES. Yes, sir.

Again from page 528:

Mr. PASSMAN. I now refer to the closing paragraph of your statement on page 9: "Other irregularities took the form of overpricing commodities by falsifying invoices and also by delivering inferior goods. The excess amounts were usually deposited outside the country, sometimes reportedly with the collusion of the suppliers." \* \* \* There could be collusion between the exporter and the importer and the recipient?

Mr. STAPLES. Yes, and we understand there has been.

From page 532:

Mr. STAPLES. I might say a good deal of your difficulty comes from imports that come in purchased with cash grants. \* \* \* In cash grants ICA just turns over the money, and although ICA reputedly has some voice in approving import licenses, these are many of which ICA does not know about. Neither the ICA mission nor Washington has ever received any accounting.

Mr. PASSMAN. When we turn the dollars over to the credit of the Lao Government, at 35 kips to \$1, we lose control of the dollar, and in many instances we have no knowledge of what is done with the dollars?

Mr. STAPLES. We do not know.

From page 533:

Mr. PASSMAN. You state on page 10: "Control procedures of ICA have been ineffective to cope with the various malpractices." Such a condition still exists?

Mr. KELLER. That is right, and even where they have control procedures, quite often they are bypassed by the Lao Government.

Also from page 533:

Mr. PASSMAN. If they like what we ask them to do they cooperate, and if they do not like it they do it their own way and do not cooperate?

Mr. STAPLES. I think that is right.

This is an excerpt from page 534:

Mr. PASSMAN. The last sentence on page 10 of your statement is: " \* \* \* No end use inspections were being made, principally because the Embassy had restricted mission representatives from contacting Lao nationals."

Mr. STAPLES. That was reported to us by our Tokyo office.

From page 535:

Mr. PASSMAN. You state on page 11: " \* \* \* ICA made no provision for screening allowable expenditures." \* \* \* What does that mean?

Mr. STAPLES. \* \* \* The Lao Government submits its \* \* \* budget for supporting their military forces. This does not include hardware, weapons, but it is for the current support, pay, food, housing, and things like that. This initially has not been subject to screening to determine whether it was reasonable, how many men they were providing for, what they were buying and what prices they were paying or how they have estimated their prices.

From pages 535 and 536 of the hearings:

Mr. PASSMAN. On page 11, in the last paragraph, you state: "Subsequently the execution of contracts with three separate firms caused an overlapping of functions. \* \* \* Mission investigations revealed that considerable quantities of ICA-financed road equipment had been abused and property control records were inadequate. Our inspections confirmed these reports." \* \* \*

They were three contracts for the same purpose?

Mr. STAPLES. They were related.

Mr. PASSMAN. Overlapping to what extent?

Mr. STAPLES. Overlapping to the extent of supervising maintenance of roads, taking care of equipment and responsibilities for those.

Another excerpt from page 536:

Mr. PASSMAN. Do you find conditions parallel to these in certain fields in other countries?

Mr. STAPLES. From my personal experience and based on our examinations in Vietnam, Cambodia, Korea, and Laos, Laos appears to be the worst of the lot.

Mr. PASSMAN. But there are indications of similar abuses in other far-eastern countries?

Mr. STAPLES. Some, but milder.

From page 540:

Mr. STAPLES. Part of the bilateral agreement with Laos provides that the United States shall receive detailed information relating to the use of released funds which are counterpart funds.

Mr. PASSMAN. We have that right but it has not been exercised? It has not been carried out according to the agreement?

Mr. STAPLES. That is right. \* \* \* It goes back to 1955.

From page 549:

Mr. PASSMAN. I think you said this morning that we do not have the right to question the Lao officials?

Mr. STAPLES. That is right.

Another one from page 549:

Mr. PASSMAN. Where the kips are officially 35 to 1, these people exchange them otherwise for 100 to 1, and buy merchandise on that basis, then bring it in and black-market it? Is that the situation?

Mr. STAPLES. That is the situation. Once ICA has put up the money and once an applicant has made application, even though ICA has passed on his application the agency does not know where he got those kips and is not in a position to find out.

Excerpting now from page 554:

These statements were noted:

The examination in Laos was made in March 1958, and a draft report thereon was received by us late in April. \* \* \* Release of this report depends very largely on how long ICA requires to review the draft and forward its comments to us.

This exchange followed:

Mr. PASSMAN. How much longer would you wait for the ICA comment before you would finally complete your report and send it to the Congress?

Mr. STAPLES. That is a hard question to answer. This is the first time we have ever been taxed to what I told ICA was almost the limit. As a matter of fact, in the last communication I sent to them I told them bluntly we had just about reached the end of our rope.

Mr. PASSMAN. That you had withheld the information from the Congress about as long as you could?

Mr. STAPLES. If they did not come through we would have to send it up and we would have to make a qualification in our report to the effect that this was the best we can do and ICA just did not give us their comments, or did not help us or cooperate with us within a reasonable time. We had just about reached that point and I was talking with John E. Murphy, the Controller, and I think that he expedited it.

Mr. PASSMAN. The report you provided the committee this morning was brought about



by a direct request from the Appropriation Committee to submit a summary report?

Mr. STAPLES. That is right.

May I inform the members that the summary report on the audit by the GAO of the program in Laos is a part of the record of the hearings, pages 519 to 525.

From remarks of General Norstad, the first excerpt being from page 559 of the hearings:

Mr. PASSMAN. \* \* \* Speaking about the investment, its value would depend, of course, upon whether or not the recipient nation should stand with us when the chips were down. That factor would be taken into consideration; would it not?

General NORSTAD. That would be taken into account.

From page 568:

Mr. PASSMAN. If we are contributing \$1.8 billion to NATO and our defense appropriation is contributing \$3.6 billion for airbases and personnel, then this figure would actually be 18 percent rather than 6 percent; would it not?

General NORSTAD. That is correct.

From page 576:

Mr. PASSMAN. In the previous 3 years, during which I have had the honor to serve as chairman of this committee, we have had some sharp disagreements about the amounts required, yet each succeeding year the Department would say, "Yes, we were mistaken. The appropriation met the requirements." This year this request is less than the appropriation for last year, which would indicate that the program is being leveled out. We are not confronted with the billions of dollars of unexpended funds. Your pipeline also is full and your lead time has been substantially reduced?

General NORSTAD. Yes.

Quoting from page 597:

Mr. PASSMAN. \* \* \* I do say that you are asking us to appropriate money for a program and you cannot state at this time that the program is firm, that you want flexibility so that funds which may be appropriated for one particular country as justified may be spent in some other country. \* \* \*

Mr. SHUFF. \* \* \* I can only say this is our best judgment, but I put this statement in here \* \* \* with the idea of telling you that in some situations this may change to a greater or lesser extent.

From page 604:

Mr. PASSMAN. \* \* \* If there is a record whereby Russia offers the aid in such manner, without strings attached, let the Committee have a copy of that information.

Mr. PALMER. It will be a verbal statement.

This is from page 613 of the hearings:

Mr. PASSMAN. It might be well at this point to restate for the record the estimated amount of funds unexpended in the military-assistance appropriation item. \* \* \*

Mr. MURPHY. As of the end of this fiscal year, June 30, 1958, the estimated unexpended balance in the military account is \$3,359,000,000.

From pages 640 and 641:

Mr. PASSMAN. I quote from a news report: "Eric Johnston, president of the Motion Picture Association of America, asserted last night that an exchange of movies between the United States and Russia would enable the peoples of the two countries to understand each other better." \* \* \* It certainly could develop into something rather expensive if an exchange with all these countries were carried out, would it not?

Mr. MURPHY. I would think it would be expensive.

An excerpt from page 651:

Mr. PASSMAN. We have been informed that the United States military-assistance program provides equipment in excess of the capacity of NATO nations to utilize it effectively. Would you care to comment?

Mr. SHUFF. Actually, I think there have been times where material has been overprogramed, and we found where those occasions have occurred.

Now from page 686:

Mr. PASSMAN. Had you not transferred from the military \$30 million over to the economic part of the program, what would be the amount of the obligated balance in military funds on June 30?

Mr. SHUFF. \$35 million, Mr. Chairman.

Mr. ANDREWS. If you had not spent this money for economic aid you would have it for military.

Mr. SHUFF. Yes, sir.

From page 688:

Mr. PASSMAN. In all probability the unobligated balance for June 30 is somewhat understated in the figure of \$211,641,000?

Mr. MURPHY. The one-word answer to that, Mr. Chairman, is "Yes."

From page 715:

Mr. PASSMAN. We are going backward instead of forward, then, with the program?

Mr. ROUNTREE. Many of the people have always been on a little above subsistence level. We are certainly not reducing the refugee rolls.

This is from page 704:

Mr. PASSMAN. Will you inform us as to the approximate total amount of American banking investments in India? \* \* \* At this time, do you recall any large loans by the private banks of America?

Mr. BELL. No, sir.

From page 719 of the hearings:

Mr. PASSMAN. How many new nations have we helped bring into being since the end of World War II?

Mr. BELL. I believe it is 22 new nations.

Mr. PASSMAN. We have supported all of them, have we not, in their effort for independence? \* \* \*

Mr. ROUNTREE. That is correct, Mr. Chairman.

Mr. PASSMAN. After we help create a nation, we assist it financially?

Mr. ROUNTREE. In most cases.

Now to proceed to page 722:

Mr. PASSMAN. It is generally conceded that defense support is actually economic aid and it is accepted as such?

Mr. BELL. Yes, sir.

From page 725:

Mr. PASSMAN. If these same countries should qualify at a later date under the development loan program, then we would have soft currencies feeding out of the account in two funds, Public Law 480 and the development loan program. \* \* \*

Mr. BELL. Yes, that is possible.

Reading now from pages 756 and 757:

Mr. PASSMAN. I understand that Lebanon has \* \* \* had a budget surplus for the past 3 years. Is that true?

Mr. BELL. There is a table \* \* \* indicating that there was a surplus in 1954 of \$14.4 million and a balance proposed in 1955 and 1956 budget estimates where there was neither a surplus nor a deficit.

Mr. PASSMAN. So for the 3 years, overall, there was a surplus.

From page 759:

Mr. PASSMAN. Certainly, Mr. Secretary, this committee understands your situation. You have to take that position. If you did not do so you would not be in the position which you hold today.

Mr. ROUNTREE. That is right.

From pages 755 and 756 of the hearings:

Mr. PASSMAN. Do you contemplate building some grain storage?

Mr. BELL. There is an old project financed out of 1956 money for some marine terminal facilities at Karachi for the unloading of grain. \* \* \* That is not yet built but the engineering is in progress. \* \* \*

Mr. PASSMAN. Have you continued to carry that as an obligation out of your funds?

Mr. BELL. It is continued as an obligation. \* \* \*

Mr. PASSMAN. Here is an obligation of \$1,540,000 that you are carrying for a project in Pakistan. The obligation has been kept on the books for four years, more or less, and at this time you are not in a position to state whether or not a firm contract will be awarded in the immediate future, are you? \* \* \* It could be another year?

Mr. BELL. It could be another year.

From page 777:

Mr. BELL. There is part of an old project with regard to a sawmill. \* \* \* We have approximately \$341,000. \* \* \* My recollection is that it was obligated in 1955. \* \* \*

Mr. PASSMAN. There is a contract outstanding for a sawmill in Pakistan and you are still carrying that as an obligation. What has held up the construction of the sawmill?

Mr. BELL. It has been held up largely because of the difficulty with the technical problems involved. That is, the question of how the plant would be operated, location, the question of how it would be managed, and what size it should be.

May I inform the members that information requested as to other old projects which are continuing to be carried as obligations, but for which no actual work has been started, were not supplied for the record of the hearings.

Quoting now from page 766 of the hearings:

Mr. PASSMAN. How much of this equipment is available and serviceable now, if it should be needed for defense against Communist aggression?

Mr. SHUFF. I do not know that anybody could answer that question. \* \* \* I would guess that a substantial part of it would be available and ready. \* \* \* I would not know how to begin to estimate that or to give you a factual answer to your question.

Mr. PASSMAN. Mr. Secretary, if we are continuing to appropriate money for military equipment, I should think that we need some system whereby we can check and know what part is being deleted from prior inventories as nonserviceable, and what portion we are replacing. \* \* \* Maybe we are providing equipment that they do not need.

Repeatedly during the hearings, Mr. Chairman, the question was asked with relation to the amount of foreign currencies this country could put to good use, but there was no satisfactory response in any instance. The following is typical of the exchanges.

I quote from pages 784, 786, and 787:

Mr. PASSMAN. I am asking if there is a limit on the amount of foreign currency this country can put to good use in this program or in any other program.

Mr. MURPHY. I am sure there is a limit.



Mr. PASSMAN. How will we know when we reach that limit?

Mr. MURPHY. This will involve a number of factors. \* \* \*

Mr. PASSMAN. I think we should know whether or not our department heads feel there would not be any trouble if we wound up controlling, let us say, 80 percent of the foreign currency of a country. Do you think there is a limit to the amount of foreign currency we should control?

Mr. MURPHY. There should be a limit.

Mr. PASSMAN. How should we determine that limit?

Mr. MURPHY. I think it will vary from country to country.

Mr. PASSMAN. Let us consider it country by country. How will you determine that?

Mr. MURPHY. The executive department does not enter into agreements with another country that would put this country in the position of acquiring more foreign currency than the United States should have in that country. \* \* \*

Mr. PASSMAN. In some countries the state of their currencies is such that it would require half a truckload to buy a package of cigarettes. Is that correct?

Mr. MURPHY. Yes.

Quoting now from page 788:

Mr. PASSMAN. I now quote from a statement by Senator ALEXANDER WILEY of Wisconsin: "All charges of waste in the foreign-aid program have been run down, analyzed, and refuted." \* \* \* The Department heads have said: "Yes, there has been terrific waste and we are doing what we can to correct the situation." \* \* \* But Senator WILEY makes the statement that all charges have been refuted.

Mr. MURPHY. I will have to say we have found instances where errors have been made and we are taking corrective action.

From pages 800 and 801:

Mr. PASSMAN. Mr. Shuff, how many quarter-ton trucks or jeeps are proposed for Country A in fiscal year 1959 under the military assistance program?

Mr. SHUFF. Ninety-eight, sir.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. \$104,000.

Mr. PASSMAN. What is the average unit value?

Mr. SHUFF. I do not have this information available at this point. \* \* \*

Mr. PASSMAN. It is \$1,061. How many jeeps are proposed for country B?

Mr. SHUFF. 1,291.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. \$1,375,000.

Mr. PASSMAN. What is the average unit value?

Mr. SHUFF. I must take your word for it, sir.

Mr. PASSMAN. It is \$1,065. How many jeeps are proposed for country C?

Mr. SHUFF. Twelve, sir.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. \$29,000.

Mr. PASSMAN. We have the average unit value as \$2,417. Why the difference, if it is for the same type jeeps? Those going to country A cost \$1,061 each, those going to country B cost \$1,065 each, and when you get to country C the cost per jeep is \$2,417.

Mr. SHUFF. Specifically, Mr. Chairman, I am not prepared to answer exactly, in the three instances you have raised, the differentiation in the unit price.

Mr. PASSMAN. How many jeeps are programmed for country C?

Mr. SHUFF. Ten, sir.

Mr. PASSMAN. What is the total value of these jeeps?

Mr. SHUFF. \$106,000.

Mr. PASSMAN. What is the average unit value?

Mr. SHUFF. I do not know, sir.

Mr. PASSMAN. If you divide 10 into \$106,000 you get a unit cost of \$10,600. \* \* \* How valid are these budget figures when in this category alone they go all the way from \$1,061 to \$10,600 for the same item? \* \* \*

Mr. SHUFF. I do know that some of the jeeps—I cannot say that these are the ones—are fire engines, and when they have various types of pumping equipment on them and various other special things, it would make them considerably more expensive than just a plain jeep with a four-wheel drive. I shall be glad to \* \* \* supply you with this information.

Mr. PASSMAN. Of course, we shall have to act in large part on faith to accept, if they are similar, that jeeps in country A cost \$1,061, in country B \$1,065, in country C \$2,417, and then in country D the price goes up to \$10,600. I think you will agree that the committee should have some specific information.

Mr. SHUFF. I agree wholeheartedly, Mr. Chairman.

There was additional discussion of this matter, Mr. Chairman, with several possible reasons being advanced for the \$9,000 unit price variation. But subsequent research provided a far simpler explanation: A typographical error.

Now quoting from pages 827, 837, 840, and 841 of the hearings:

The offshore procurement program is averaging about 20 percent of total foreign aid outlays.

Mr. PASSMAN. In order to balance a set of books, you have to enter a figure on two sides of the ledger, do you not?

Mr. SMITH. That is right.

Mr. PASSMAN. If this is as you indicate, then it would make sense that the more money we appropriate for this offshore procurement, the more prosperity we would eventually have in America? \* \* \* The dollars have to come back here eventually. \* \* \* If we continue creating our sales by supplying the free dollars, then the condition that I am going to state for the record at this point (Treasury withdrawals and deposits, increase in foreign-aid withdrawals, and so forth) will become more serious every year.

From pages 826 and 827:

Mr. PASSMAN. Now we shall insert in the record, from page 30 at the top of the page: \* \* \* "Proposed for fiscal year 1949, \$40,513,000. The program for 1958, \$182,196,000. Cumulative 1950-58, \$1,064,699,000. Fiscal 1959 and later, \$230,828,000." \* \* \* The record will show that this is the original acquisition cost and is not chargeable to any appropriation made directly to the mutual-security program. Is that correct?

Mr. SHUFF. That is right.

This is from page 912:

Mr. PASSMAN. Did you, Mr. Secretary, or some other witness, state for the record \* \* \* that in the underdeveloped countries where we are making these types of loans, accepting soft currencies as long as they are considered underdeveloped countries, we would not ask them to make available for export to this country anything that they might be able to export for a dollar credit?

Mr. ROUNTREE. That was my understanding.

Mr. PASSMAN. Mr. Bell, it has been established that unliquidated obligations of \$13,086,000 will be carried over into the next fiscal year for projects in Egypt which are suspended until the situation in that country changes; is that correct?

Mr. BELL. That is correct.

Mr. PASSMAN. Did you ever ask the State Department for permission to deobligate that amount so that the money might be used elsewhere in the program?

Mr. BELL. We did inquire of the Department whether we might deobligate this money. \* \* \* The Department did not think it was wise to do so.

From page 920:

Mr. PASSMAN. If the MAAG officials make a worldwide inventory of their materials and then present a figure on their needs, and they say that this is \$5.5 billion for the programs, but the Defense Department reduces the amount to \$1.8 billion, how do you justify the vast difference in the estimate of needs?

Mr. SHUFF. Well, sir, the MAAG people are not induced with any requirement to stay within any budget ceiling.

Mr. PASSMAN. They ask for what they want, rather than for what they need?

Mr. SHUFF. They ask for what they think the host country needs, and they are not inhibited in any way.

Continuing to quote excerpts from the record of the hearings:

From pages 922 and 923:

Mr. PASSMAN. On page 36, with reference to India, the second paragraph reads as follows: \* \* \* "Since the beginning of the second 5-year plan in April of 1956, the initiative originated in the first plan has resulted in major strains on the economy."

\* \* \* Does this mean that India is trying to do too much too soon, and are we giving them more than their economy can absorb?

Mr. BELL. I think it does mean that the Indian second 5-year plan as originally conceived was planned to do more than it was possible to do. \* \* \*

Mr. PASSMAN. Our plan originally was to work with India on their 5-year plan, accepting their statistics, and we were mapping our programs in accordance with that planning?

Mr. BELL. That is right. \* \* \*

Mr. PASSMAN. Do you see the possibility of this country overextending itself? \* \* \*

Mr. BELL. I think there is a good possibility, Mr. Chairman, that the requirements for outside resources for India are going to rise.

From page 925:

Mr. PASSMAN. Mr. Bell, could you state for the record the total amount of all aid given to India and the total of all types of loans made to India and the grand total? \* \* \*

Mr. BELL. The United States aid programs in India authorized as of March 31, 1958, amount to \$1,215,000,000. \* \* \*

Mr. PASSMAN. You would add to that, of course, the fiscal 1959 request, if it is granted?

Mr. BELL. If there is any in 1959, I would add that.

Mr. PASSMAN. And if you should request the \$600 million and receive approval for it, we would really be getting into India in a tremendous manner?

Mr. BELL. Yes.

This is from pages 970 and 971:

Mr. PASSMAN. I mentioned previously the length of time that ICA officials used to answer a request by the General Accounting Office.

Mr. MURPHY. It took them 11 months to make the report and it took us 6 months to answer it.

Mr. PASSMAN. Why the delay? \* \* \* I do not think this committee should remain in the dark while an agency is using 6 months' time to reply to an audit report. \* \* \*

Mr. MURPHY. But taking it in balance, a 6 months' delay on the part of ICA, \* \* \* I do not think is too bad a record.

From page 1009:

Grand total, for period July 1, 1940, to June 30, 1958: \$134,761,593,000.

A detailed table is presented on page 1009 of the hearings.



Excerpting now from pages 1047, 1048, and 1049 of the hearings:

Mr. PASSMAN. Doctor, please tell us about the project for the construction of a garage workshop in Cambodia, and how much has been obligated for it? \* \* \*

Mr. MOYER. This is also a 1956 project, and the total obligation is \$230,000. \* \* \*

Mr. PASSMAN. When did you obligate the money?

Mr. MOYER. In fiscal year 1956. \* \* \*

Mr. PASSMAN. How much has been spent?

Mr. MOYER. As of December 31, \$18,000 has been spent.

Mr. PASSMAN. Do you contemplate spending the balance?

Mr. MOYER. Yes, sir; we do.

Mr. PASSMAN. When?

Mr. MOYER. I cannot answer the question as to when. \* \* \*

Mr. PASSMAN. Is this garage for auto repairs?

Mr. MOYER. I am sorry, sir, but I cannot tell you precisely. \* \* \*

Mr. PASSMAN. Could you tell us how many autos are in Cambodia?

Mr. MOYER. Well, there are quite a few. \* \* \* Although I would not have any real idea as to how many there are.

Mr. PASSMAN. Do you have any idea as to how many garages there are in Cambodia?

Mr. MOYER. That I do not know, either.

This is from pages 1045 and 1046:

Mr. PASSMAN. How much money have we pledged Taiwan for telephone service?

Mr. MOYER. \$1,557,000, sir. \* \* \*

Mr. PASSMAN. Could you tell us how much has been expended on the program?

Mr. MOYER. As of June 30, 1957, out of the original amount \$52,000 has been expended.

Mr. PASSMAN. In what year, or years, did we make the funds available for the \$1,557,000 project?

Mr. MOYER. Over several years. In 1955 the amount was \$290,000.

Mr. PASSMAN. What is the amount of the total expenditure?

Mr. MOYER. As of March 31, 1958, on that project, just a small amount—\$213,000.

Mr. PASSMAN. That money is going to be growing whiskers? \* \* \* If we do not do something about it; is it not?

Mr. MOYER. Yes, sir.

From pages 1041 and 1042:

Mr. PASSMAN. Mr. Shuff, is a substantial amount of excess military equipment \* \* \* being disposed of as surplus while at the same time comparable items are being requisitioned for delivery from the United States? \* \* \*

For instance, it is reported that in Japan while they are declaring certain equipment in excess, at the same time they are requisitioning from the United States the very same items.

Mr. SHUFF. \* \* \* I would be somewhat less than honest and frank if I did not tell you that the situation you described existed (in Japan). \* \* \* Things were being declared in excess to \* \* \* requirements or where indeed in excess and at the same time being requisitioned under the military assistance program. \* \* \* We found that this was happening.

From page 1045:

Mr. PASSMAN. \* \* \* How much of the money in this request is for the replacement of military equipment and materials that are being replaced in kind?

Mr. SHUFF. Specifically, I cannot answer your question.

An excerpt from page 1110 of the hearings:

Mr. PASSMAN. \* \* \* I think, Mr. Murphy, early in the hearings you said you had one request from an individual who wanted to repay the money in dollars. Will you state for the record the name of that individual

and the country, and the business he proposes to undertake?

Mr. MURPHY. Sir, I am not prepared to do that. I said at the time I thought there was at least one project under consideration.

Mr. PASSMAN. Do you know whether or not it is true?

Mr. MURPHY. \* \* \* I cannot say positively which one it is.

Mr. PASSMAN. That is an individual wanting to borrow money, not a country?

Mr. MURPHY. It may be a government, sir. I do not know.

Mr. PASSMAN. It is in doubt at this point?

Mr. ATWOOD. Is this in the Development Loan Fund?

Mr. MURPHY. Yes.

From page 1124:

Mr. PASSMAN. Would you advocate that such loans (from the Development Loan Fund) be approved only if and when proper surveys have been made and it could be established that benefits would exceed costs?

Mr. ATWOOD. I would, sir.

These excerpts are from pages 1181 and 1182:

Mr. PASSMAN. You awarded the contract for 30 million pounds of DDT to 10 different manufacturers (of 12 bidding). \* \* \* On what basis did you award the contract, if you had 1 firm, or 9, bidding higher than 1? You had to accept the manufacturer's price and product, and you took the entire capacity, or output?

Mr. MURPHY. Yes. \* \* \*

Mr. PASSMAN. Gentlemen, it stands to reason that if you have 12 firms manufacturing insecticides and you need 30 million pounds, and you had to accept the entire output of Manufacturer No. 1 at whatever price he quoted you, and you had to take No. 2 and up through No. 10, regardless of the amount of the bid, you needed the output and you accepted the bid. You had obtained the amount you needed before you reached No. 11 and No. 12.

From page 1241:

Mr. PASSMAN. What was the amount debited in all mutual security programs in 1957?

Mr. MURPHY. I can supply it for the record. (The following information was supplied:)

"During 1957 the recovery of prior year non-military obligations was \$127,819,990."

Excerpting now from page 1247 of the hearings:

But for all practical purposes each fund amounted to a blank check by Congress to the agency to be spent wherever the agency wanted; is that right?

I do not like the term "blank check" but I certainly must admit that they were available to the executive (branch) to be spent in their discretion.

And Congress had no further control over these funds.

There were not specified in advance.

From pages 1249 and 1250:

Mr. PASSMAN. Will you state the amounts of all funds that lapsed in fiscal 1956 and fiscal 1957 or will lapse in fiscal 1958? \* \* \* Year in and year out it has been stated that the cuts were going to ruin the program, and yet each year funds remain unused in almost every category. Now it is coming around again that some of the money is about to lapse. Furthermore, 80 percent of the Asian fund we were criticized so widely for reducing in 1956 would lapse if the Congress should not reappropriate it.

(The following information was inserted in the record:)

"The following lapsed funds from the mutual security program were returned or

reserved for return to the United States Treasury:

	Million
"Fiscal year 1956....."	\$63.3
"Fiscal year 1957....."	50.2

"Fiscal year 1958 funds for return to the Treasury cannot be accurately forecast until the close of the fiscal year."

An excerpt from page 1256:

Mr. PASSMAN. Would the gentleman place in the record the amount of unexpended funds in each of the categories we have discussed?

Mr. MURPHY. I will be happy to do so.

(The information follows:)

"Estimated unexpended balance as of June 30, 1958, for nonmilitary assistance, MSP funds:

Defense support.....	\$910,688
Development assistance.....	168,211
Development Loan Fund.....	290,118
Technical cooperation.....	176,397
Special assistance.....	133,058
Other programs.....	157,018

Total..... 1,835,490"

Now an excerpt from page 1303:

Mr. PASSMAN. I wonder, Mr. Secretary, if you would make some recommendations to this committee (in charge of the United Nations' Children's Fund) that the church groups and members of the clergy (and others) should not be led into believing that this fund constitutes a large percentage of the total program. Do you not think it would be well for the churches and others to be properly informed as to the small percentage of the overall program this represents?

Mr. WILCOX. Yes, sir.

From page 1370:

Mr. PASSMAN. So in effect there is an increase?

Mr. HALL. There is an increase. \* \* \*

Mr. PASSMAN. If you had indicated an increase rather than trying to explain that this increase was more than offset by a reduction, it would have been much more easily understood. It is not really offset, is it?

Mr. HALL. No, sir. I would agree.

And this one is from page 1462:

Mr. PASSMAN. We have a Development Loan Program, the purpose of which, as I understand it, is to help underdeveloped countries. Is that your understanding of the purpose of the fund?

Mr. JUDD. That is right.

Mr. PASSMAN. Thank you, Doctor. \* \* \* We have the same understanding, that it is to help underdeveloped countries, and not to be given to well-established countries for some sort of housing projects or barns, or such as that?

Mr. JUDD. A development loan is for development.

Mr. PASSMAN. In underdeveloped countries?

Mr. JUDD. That is right.

Mr. PASSMAN. It would not apply to making loans for a housing project or other undertakings of that nature in old, established nations?

Mr. JUDD. I would oppose the use of it for such a purpose.

Mr. Chairman, as the matter of foreign aid is a matter of critical concern to the Congress, may I urge again that members of the House read the record of these hearings, thoroughly, carefully, and thoughtfully.

When they have done so, I am confident that they will better understand—and fully approve—the recommendations which we have presented, for the foreign-aid appropriation for the fiscal year 1959.



For several years, Mr. Chairman, a large percentage of the membership of the Congress has hoped that United States foreign aid could and should be steadily diminished. Vain hope, of course, that has proved to be.

Instead, we are told that another and greater emergency has been created by Russia's economic warfare programs in the underdeveloped countries of the world. The administration insists, therefore, that the need is for more rather than fewer American taxpayers' dollars for the aid program.

As I have already stated repeatedly, the administration asks the Congress to accept its requests for foreign aid funds at face value—to a large extent upon the basis of faith and unsubstantiated claims, ignoring the standards used for justification of funds for the operation of our own Government.

And the administration has been and is backing this approach to obtain all the foreign aid money it is requesting with a pressure campaign of unprecedented proportions, directed both directly and indirectly at and through the Members of Congress.

This pressure on the part of the executive branch and its propaganda agents, high on the list of which is Mr. Eric Johnston, the Motion Picture Association czar, and his so-called "Committee for International Economic Growth," has been felt in particular by the members of the Appropriations Subcommittee handling the money bill for foreign aid, of which it is my great honor to serve as chairman, and by other members of the full Committee on Appropriations.

Let me repeat: It is my belief, Mr. Chairman, and certainly also the belief of the majority, if not all, of the members of our subcommittee and of the full Appropriations Committee, that the foreign aid money requests, involving billions of dollars and complex and long-range commitments, certainly deserve the most careful scrutiny and examination. This is the type of study which we have endeavored to undertake, in an intelligent and objective manner, but it was made most difficult by the fact that members of the committee were subjected to such terrific propaganda and political pressures.

The truth is, Mr. Chairman, that few people really know the intricacies and implications or the valid needs of this extremely complicated foreign aid program. It is quite likely, in fact, that the planners themselves do not fully comprehend the natural and probable consequences of some of their foreign aid projects.

But each year, large numbers of quite extraordinarily articulate, fast-talking, and persuasive representatives of the State and Defense Departments and the International Cooperation Administration appear before the legislative and appropriations committees of the Congress, supporting the pleas for broader aid programs and more money.

Many of these people seem to be dedicated to the principle that the world can be saved only through ever-increasing economic and military assistance fi-

nanced by the American taxpayer. They produce volumes of presentations and glowing summaries of past accomplishments. They propose interesting but oftentimes vague new country programs for which they want the cash.

It is very difficult, Mr. Chairman, for the committees of Congress to see through the maze of these presentations and get at the hard facts, to obtain all of the truth.

The result has been that Congress has voted authorizations and made appropriations about which it has known all too little. Sometimes the Congress thinks it is authorizing one thing and gets another. At other times it believes it is appropriating funds to be used in one country or for a specific purpose only to learn later, if ever at all, that the money has been used for another purpose under some transfer or discretionary authority which the Congress may have been talked into granting in the name of flexibility.

I think it is certain that Congress would not knowingly have appropriated some of the funds which it has approved for such uses as have in fact been made of them in certain instances.

There have also been cases in which Congress was not informed of all the pertinent facts it was entitled to receive before appropriating billions of taxpayers' dollars for foreign aid.

Whether or not it is acceptable to some of us, it appears likely that some measure of foreign aid as an instrument of national policy is going to continue for an uncertain period. Even if no new aid should be provided, which is a most unlikely situation, several years would be required to clean out the pipelines and discharge other existing commitments. It seems also that no early end is likely to the amounts we shall spend for maintenance, replacement, and obsolescence of military hardware which we have already supplied, or which we are in the process of delivering, to other countries. In addition, there are special situations with relation to certain countries and areas where, admittedly, certain assistance cannot be abruptly stopped.

As the chairman of the Appropriations Subcommittee handling the money bill for foreign aid, I again want to assure my colleagues that I recognize and accept these facts concerning the program, even though I may not relish the fact of their existence.

However, after the years of Marshall plan, mutual security, economic development, point 4, defense support, direct forces support and the other plans and programs and devices that have been submitted to Congress year after year to justify the continuance or expansion of foreign aid, it is high time, Mr. Chairman, for us to get down to earth and do some realistic stocktaking.

That is what your Subcommittee on Foreign Operations Appropriations and the full Committee on Appropriations have been endeavoring to do—to make a careful appraisal of the foreign-aid commitments and needs, and to provide the money necessary to fulfill these needs in a reasonable manner, while at the same time avoiding pouring more and

more hundreds of millions of dollars down a figurative rathole, to no good purpose to our own Nation or to the strength and security of the free world.

As I have outlined to you, our committee has studied carefully the details of the fiscal needs of the program. We have not expected, and do not expect, to obtain all the answers; but it was our intention to make our inquiry as thorough as it was possible for us to accomplish through the limited procedures and means of committee hearings.

As our committee pinpointed more evidence of bad planning, extravagant programing and wasteful operation—which have cost the American taxpayers appalling sums of money over a 10-year period—and as these indisputable facts of the program increased the emphasis upon the importance of better management, the pressures intensified upon the Members of Congress, and especially upon those of us who have been considering the money bill.

The ramifications of this propaganda campaign—which has been aptly termed the "Operation Brainwash"—have gone far beyond a mere \$7,000 contribution of White House emergency funds, and the promotional extravaganzas efforts of movie czar Eric Johnston.

For one other example, with which the Members of Congress are, of course, familiar there was the spectacular financed by the American Association for the United Nations, which is acknowledged to be a one-worlder group with interests of its own. A portion of this group's propaganda scheme was the bipartisan speaking tour in 32 cities of 21 States, with 2 of our distinguished colleagues as the speakers.

Also, the President himself tightened the screws, politically, on the Members in Congress from the other side of the aisle.

At a spring conference in New York addressed by Secretary of State Dulles, Deputy Undersecretary Murphy and Deputy Undersecretary Dillon, the plea was openly made for what the newspapers described as "pressure at the Capitol" to help pass the foreign-aid money request.

All along, increasingly since last January and February, officials of the Eisenhower administration—Mr. Dulles, Mr. Nixon, Mr. Dillon, Director Smith of ICA, Assistant Secretary of State Robertson, Defense Secretary McElroy, and, of course, Mr. Eric Johnston, among numerous others—have been proclaiming that the United States "must do more than we are doing now" to meet the Russian challenge in economic aid to the world's underdeveloped nations.

But, I repeat, Mr. Chairman, even before our Appropriation Subcommittee, much less the American people, they have not provided documentary evidence to support their assertions and requests for increased funds.

Is this, then, more pressure, as part of a campaign to push the Congress into supporting bigger and more extravagant foreign aid?

The executive department, for whatever the reason may be, has been giving



much play to the reported agreements of the Soviet bloc to supply, during 1956 and 1957, \$400 million of military assistance and \$1.5 billion of economic assistance to 10 underdeveloped countries.

Therefore, Mr. Chairman, I think a few more pertinent questions are in order. I shall state a few of them here:

First. Out of the total of \$1.9 billion in military and economic aid reportedly proffered by the Soviet bloc, was not \$1.335 billion of this earmarked for 4 countries, Egypt, Yugoslavia, Syria, and Indonesia? Is it not true that each of these countries has been more or less unfriendly to the United States and the principles for which we stand?

Second. Is it a correct estimate that from only 10 to 15 percent of the Soviet bloc funds have been actually spent?

Third. Is it not a fact that, possibly with an extremely few exceptions, the Soviet assistance has not been on a give-away basis?

Fourth. Is it not a fact that during the same 2 years in question, 1956 and 1957, the United States provided non-military aid to the Middle East and Asia amounting, in all, to more than \$2 billion, in addition to large quantities of military equipment and logistical supplies?

Fifth. Is it not a fact that the United States is, and for years has been, outspending the Soviet bloc in both military and economic assistance to foreign nations?

Sixth. Is it not also a fact that many of the Soviet aid projects contain certain provisions which are highly unfavorable to the recipient countries—such as, for example, the barter arrangements made with Egypt for cotton and with Burma for rice?

Seventh. Should we not guard carefully against being stampeded into stepping up our already huge expenditures to meet the threat of Russian gestures and promises that may never be realized? And should we not keep in mind that the Soviet bloc's reported offer of \$1.9 billion looks actually trifling in comparison with the \$70 billion, more or less, which we have spent on military and economic assistance, through the foreign-aid program as such, during the past 10 years?

Mr. Chairman, I am of the opinion that our real concern should be in eliminating waste and extravagance and mismanagement in our own foreign aid, in curbing some of our own self-perpetuating planners in the program, and in getting better results with less money.

The American people, I fear, as well as many members of the congress, have been and are in danger of being blinded to the facts of foreign aid, which Mr. Eisenhower himself in 1952 called the giveaway, by the propaganda and pressure campaigns to which they have been, and are being, subjected.

Many of the propagandists have been using the technique of fright, that we must thwart the Russian foreign-aid program, that if we do not do thus and so another nation will rush into the arms of the Kremlin. Others, however, propose that Soviet Russia be invited to join its economic aid activities to those of the

United States. Secretary Dulles and others have insisted upon spending still more aid billions as a cure for the economic recession in the United States, suggesting, in effect, that the foreign-aid program is another PWA make-work scheme. But they have neglected to point out that the production from that money, and from the jobs created by spending it, disappears from the United States economy, just as arms and munitions do in wartime—which contributes to increased inflation and raises the cost of living, as we are now experiencing in the "Eisenhower recession."

It is not to be expected, of course, that the advocates of bigger spending foreign aid or their propagandists are to come forth with reasoned, documented and adequate answers as to many of the facts of the program which are being asked by Members of Congress, and certainly so by members of our Foreign Operations Appropriations Subcommittee. Instead, they are inclined to pass over the appalling record of extravagance and waste, and of corruption and worse on the part of many of the recipients, as only to be expected mistakes.

But, actually, the record is clear, notwithstanding assertions to the contrary by the ICA bureaucracy, others in the executive branch and their propagandists, that many of these mistakes and blunders are not being straightened out; but, in fact, appear to be on the increase.

No amount of pressure and propaganda can change the facts. But they can do a lot of cover-up; and they can have a great deal of impact.

That is what the February 25 clambake, financed in part by \$7,000 in emergency White House funds, did: It had a tremendous impact on the 1,200 American leaders who came to Washington, at the behest of Mr. Eisenhower and Mr. Eric Johnston, from all over the Nation.

But that clambake, Mr. Chairman, was only the first step in the Eisenhower-Johnston promotion job. It went from there to bring in several hundred leaders from all phases of American life—in a concentrated effort to appeal to the American people for pressure on Congress to provide all of the money requested for foreign aid.

To finance their campaign the Johnston group solicited contributions from business firms with, it has been reliably reported, an accompanying notification that their gifts were deductible for income tax purposes.

This is how the statement was said to have been phrased: "Checks for contributions to the committee should be made payable to the Committee for International Economic Growth. Such contributions can be written off as ordinary business expense."

Whether the gifts are or are not deductible, I do not know, although the Internal Revenue Service has indicated that they probably do not so qualify. However, at any rate, that, too, has been one of the come-ons held out to prospective contributors, in the effort to raise hundreds of thousands of dollars for financing their campaign to activate the people and to pressure the Congress for the full foreign-aid money request,

no matter what the record shows as to the needs of the program.

The list of Mr. Johnston's original sponsors for the administration's pressure program is indeed an impressive one. It includes representatives of nearly every segment of our society from practically all, if not actually every one, of the 48 States: Mr. Nelson Rockefeller, for example, who is said to have contributed \$10,000; Mr. Ernest Breech, of the Ford Motor Co.; Mr. Lamar Fleming, of Anderson, Clayton & Co.; Mr. George Killion, of the American President Lines; Mr. Frank Pace, Jr., of General Dynamics; Mr. William Robinson, of the Coco-Cola Co.; Mr. Joseph Spang, of the Gillette Safety Razor Co.; Mr. H. J. Heinz, of the Heinz Co., and many others of equal prominence in commerce, industry and finance; in the clergy; in organized labor, in our women's groups; and in practically all other phases of our life.

It would perhaps be superfluous for me to observe that if these particular people, along with the many others they have enlisted to work with them, cannot exert influence and apply pressure, then it just could not be accomplished at all. That they have been busy at their task certainly must be a well-known fact to every single Member of the Congress.

Now, Mr. Chairman, I want the RECORD to be clear that I do not question the high integrity or the great patriotism of these individuals, both in and out of Government. I do, however, question their judgment. And, with respect to very, very many of them, I wonder also just how really well acquainted they are with the foreign aid program facts.

But official pressures and propaganda programs or not, I am convinced that the American people do not wish to endlessly support inefficient management, ill-defined objectives, waste, fraud on the part of the recipients, and more money than is reasonably needed for the aid program. I am certain that it is our duty in the Congress to endeavor to the best of our ability to get as much as we can of the real story, and make our decisions accordingly.

This is a very difficult assignment at best. It has been extremely difficult to perform these duties with maximum effectiveness when the Members of the committee and the Congress are subjected to such unprecedented pressures as have been, and are yet being, exerted.

However, Mr. Chairman, the majority of the members of the subcommittee which has studied this bill in detail—and of the full Committee on Appropriations—are fully convinced that the recommendations made for appropriations provide all of the funds needed—and, in fact, much more—to fully support the foreign aid policy and program of our Nation.

Mr. Chairman, we must not delude ourselves. It is anticipated that this program will continue for many years yet. It is probable that all of us will be gone from this body before the program concludes—a program that has



brought about so much inflation and increase of the public debt. I repeat that the time is overdue for the Congress to look at it more closely, carefully. Let the money be used more efficiently. Let this deliberative body make its decisions upon the facts. That is all I am now asking you to do.

I say to you again that I have studied this bill long and intensively. I think I am in position to answer the most critical questions that may be directed to me, because I shall go to the record for the answers based upon facts, and not fiction.

If subsequently it could be proved that what I have said was not backed up by the factual record, I would submit my resignation as chairman of this subcommittee.

I trust I shall not pay the penalty of defeat, and I trust that the committee will not pay such a penalty, after performing such a long, difficult, tedious, and conscientious job, and bringing recommendations to you which you can support with credit.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. WIGGLESWORTH. I just wanted to call the attention of the chairman of the subcommittee to a table on page 314 of the hearings entitled "Soviet Bloc Aid to Non-Bloc Countries," where it is detailed to the extent of \$1,147 million.

Mr. PASSMAN. At a subsequent date they said it would be impossible to try to pin down any such aid, without strings attached. I shall find the page reference for the gentleman and provide it to him before we conclude this debate.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman's disclosure that ICA desires to build textile mills in Indonesia, has in fact sent out an open invitation to the American Cotton Manufacturers' Institute urging their assistance, and further indicating that ICA is willing to build power plants and provide transportation and other public facilities for these foreign textile mills, to me, is a very challenging, and in a sense, alarming disclosure.

The textile industry in our United States of America, or at least a large segment thereof, is literally in a coma today. Over a period of months, mill after mill has been forced to liquidate and unemployment is rife. The plight of the older textile workers is especially serious.

Mr. Chairman, when we reach page 7 of the bill I propose to have an amendment inserted which will read as follows. It will be a new section, section 106, reading:

None of the funds provided in this act shall be used to establish textile processing plants in any foreign country.

I do not mention other industries because this is the one industry pointed out in this open invitation of ICA, while this home industry is suffering, suffering immeasurably today.

Mr. PASSMAN. I wish to say to my distinguished colleague from New Jersey

that he should not shoot all of his ammunition in the first gun.

There are other and similar letters which affect many other branches of our great economy. I trust that my friend will ask me for these.

The best way to cure this problem is not to give these dreamers too much money to play with, while we proceed to study the program with utmost thoroughness.

Mr. CANFIELD. So far as this particular amendment is concerned, the gentleman would be for it?

Mr. PASSMAN. Yes, certainly, I would support the gentleman's amendment, but if I were to give him all of the letters of such nature that I have there would be similar amendments offered here for the next 2 weeks.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to my distinguished colleague from Minnesota [Mr. JUDD].

Mr. JUDD. I appreciate very much the statement of the gentleman. He and I have not seen eye to eye on all things—

Mr. PASSMAN. And, doubtless, will not in the future.

Mr. JUDD. But we have worked closely on certain aspects of the program in an effort to make sure that we at least understand each other, and I respect him fully in his position. I wanted to ask this question: Your subcommittee, which has studied this longer and harder than anyone else except the Committee on Foreign Affairs, came to the full Committee on Appropriations, so we read in the papers, with a recommendation of \$415 million for the Development Loan Fund. The full committee, with the votes of many members who had not had the benefit of all the studies, interrogations, and analyses of the gentleman's subcommittee, cut that to \$300 million. Should the House take the judgment of the subcommittee which knows most about the subject? Or the judgment of the full committee?

Mr. PASSMAN. I should like to say to the gentleman from Minnesota that there is many a slip between the cup and the lip. I shall not discuss the proceedings in the subcommittee or in the full committee on Appropriations. I can say to the gentleman that this bill comes to the floor with the majority vote of the Appropriations Committee. That is the best answer I can give the gentleman.

Mr. JUDD. Then we should take the judgment of which?

Mr. PASSMAN. Take the word of the full Appropriations Committee.

Mr. JUDD. I am inclined to go along with the gentleman's subcommittee as better qualified to judge on this issue.

Mr. PASSMAN. It is perfectly understandable that the gentleman would be so inclined.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I want to apologize to my distinguished colleague. Certainly I yield to the gentleman from New York.

Mr. TABER. The gentleman made the statement that, of the funds that we had put up, better than \$2 billion of it

went to Communist countries. I was wondering if he could give the detail on that.

Mr. PASSMAN. I shall be pleased to provide the information.

The CHAIRMAN. The gentleman has consumed 1 hour.

Mr. PASSMAN. Mr. Chairman, I yield myself an additional 5 minutes.

The CHAIRMAN. Without objection, the gentleman may proceed.

There was no objection.

Mr. PASSMAN. Mr. Chairman, I shall refer the gentleman to a letter, dated June 23, 1958, from the Library of Congress, signed by Ernest S. Griffith. He gives the totals in the letter. I do not know whether there are any secrets involved or not. I would not want to mention the data if there were. I have listed the grand totals over on the side, as follows:

Albania, \$20,444,000.  
Czechoslovakia, \$15,410,000.  
East Germany, \$17,339,000.  
Hungary, \$31,938,000.  
Poland, \$442,698,000.  
Soviet Union, \$687,000,929.  
Yugoslavia, \$836,354,000.  
That is a total of \$2,252,112.

The Library of Congress will, I am sure, make available for the gentleman's benefit a copy of that letter, if he should request it.

Mr. TABER. I wonder if the gentleman could give us the dates that these advances or benefits were made.

Mr. PASSMAN. The letter states for July 1, 1945, through June 1957, all in the postwar period.

Mr. TABER. I do not remember of any grants to the Soviet—and that seems to be the big one, \$600 million—that have been made, certainly, since the 1st of January 1947.

Mr. PASSMAN. I am sure that the gentleman agrees that he was surprised. They had money in this bill for Egypt, also. But this is a Library of Congress report, and you can fortify your position there. I made a statement of fact, and I shall have to rest on it.

Mr. DORN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from South Carolina.

Mr. DORN of South Carolina. If the gentleman will permit me, I would like to join my distinguished colleague, the gentleman from New Jersey [Mr. CANFIELD], in expressing shock and surprise over this letter written to the Cotton Manufacturers Institute of the United States saying in substance, "Close your American plants. Fire your employees. Let them go on unemployment insurance. Come over to Indonesia"—a doubtful country, leaning toward Russia—"and we will guarantee you our water, free corporate taxes, guaranteed profits, assure you against loss." Not only that, but along with it, in a few days, we will have a bill that will pass the other body permitting lower taxes on textile imports coming back into the United States, so they can sell their goods back in the land of old Uncle Sam.

Mr. PASSMAN. I thank the distinguished gentleman. I prefer always to



stay with the record and read the letters verbatim.

Mr. HEMPHILL. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from South Carolina.

Mr. HEMPHILL. I want to thank the gentleman for his statement. We live in a section of the country where American taxpayers have been working for generations to pay the bills to support this country which is now being sold down the river. It is a sad story. We have unemployment and other difficulties. I want to thank the gentleman for the fine statement he made, and I want to use it, if I may, to send to some of my people to show the statesmanship the gentleman exhibited.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for the splendid work that he has done, as well as the other members of his subcommittee. I have read the hearings, as I recall, some 1,400 or 1,500 pages. No committee of the Congress in the 10 years that I have been here has gone through this thing so thoroughly, has scrutinized this spending, has tried to find out about these things—and all too often apparently has been unable to find out where this money went—no committee of Congress has even begun to approach the hearings that were held this year upon this bill.

Mr. PASSMAN. I thank the distinguished gentleman.

Mr. GROSS. I regret that the Committee on Foreign Affairs, in its authorization hearings, did not go into this subject far more exhaustively than they did, so that through a combination of the two subcommittees in committee we might have had far more information prior to this time.

Mr. PASSMAN. The Committee on Foreign Affairs is one of the great and dedicated committees of the Congress.

Mr. ANDREWS. Mr. Chairman, the morning paper carries a very alarming news story, and I quote:

More and bigger deficit spending looms ahead for fiscal 1959, bringing with it new inflationary pressure and damaging the prospect for any tax relief next year or soon thereafter.

In a few days the administration will ask Congress to boost the Federal debt ceiling for the second time this session. Some officials indicated a new temporary ceiling of \$290 billion may be sought. The earlier \$5 billion boost brought it to \$280 billion.

The widening gap between income and outgo in the next fiscal year—now estimated by high officials at around \$11 billion, or possibly even \$12 billion—makes substantial new Treasury borrowings inevitable, after high administration officials estimated that a deficit of \$2½ to \$3 billion will have been rolled up for fiscal 1958 when all the paid bills are counted.

There are 40,561 people engaged in the operation of the mutual security program. The program is operated at the level of approximately \$3.6 billion a year, which means there is an employee for each \$90,000 spent. Witnesses told our committee that this program would continue for at least 10 or 15 years.

We are giving military aid to 11 countries; economic and military aid combined to 30 countries; economic aid only to 22 countries. In addition there are 10 territories which are receiving economic aid. There are 86 nations in the world. We are giving aid of one kind or another to 73 countries and territories. There are 72 nations in the world that owe public debts. The total amount of all these public debts as of a recent date was \$236,490,000,000. As of the same recent date, the public debt of the United States was \$274,900,000,000.

The latest available figures of the national income of the countries of the world show that the total national income of 74 countries is \$515,730,000,000. As of the same date, the national income of the United States was \$353,500,000,000.

We seem to have an idea in this country that when any problem arises, the way to answer it is to appropriate money and hire a lot of people to travel throughout the world.

There is such a thing as, can you afford a given program?

I am dubious of the long-range benefits of this worldwide program. I have opposed foreign aid bills and appropriations since 1950 partially because of their effect on our national economy and it frightens me to think about what the repercussions will be in foreign countries when, through dire necessity, we are forced to discontinue such worldwide spending. I believe these programs will eventually wreck the economy of our country—we may never find a stopping place.

You will note that the amount allocated for the separate countries of the world is classified. The reason why given amounts to given countries is classified, according to testimony before our committee, is the fact that countries are jealous of each other about the amount of aid received. If X country gets more than Y country, then Y country is jealous.

During the past generation, the United States has given to foreign nations in grants, aids, subsidies, loans, gifts, and repudiated loans in excess of \$125 billion. Even though the recipients in foreign lands of this stupendous amount of money have already spent it, let us ever be mindful that the taxpayers of this Nation still owe this debt which must be paid by generations yet unborn.

In my judgment we are spreading ourselves too thin. We are attempting to buy friendship and loyalty, neither of which can be purchased by the almighty dollar. If we continue dissipating the wealth of this country, then we may wind up in a worse condition than a great majority of those that we are now helping. If our present rate of grants and gifts continues for too long, there will not be enough ready money available to build a rowboat, let alone a flat top. It frightens me to think that we have gone so far afield with this worldwide program of trying to buy friends and loyalty.

It has been stated that Russia's Lenin once said, "Just give the United States time and she will spend herself into destruction." I wonder if our arch

enemy Khrushchev is thinking the same thing and maybe cooperating in bringing this about?

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I cannot hope to match the magnificent eloquence with which the chairman of the subcommittee has presented the story to you. I was impressed, however, that as he went along from point to point, he mentioned the points but he did not discuss the details. And, that was pretty well established by the particular item to which I referred when I was questioning him.

I feel that I should attempt in my own way to present to the membership of the House what, it seems to me, is the situation that we face in the world and that we must meet. At least we must do the very best we can to meet it.

I suppose that I should discuss some of the points that have been made. I could go back into ancient history, to the Truman administration and call attention to the fact that the only reason they were able to pay something on the national debt was because of the fact that we had a Republican Congress in 1947 and 1948, which reduced the expenditures of Government in sufficient amount so that there might be some payment upon the debt. I am not going to spend too much time on that.

There are certain areas in this bill, and I am going to devote myself to them, to which I think the membership of the House must pay some attention. For instance, there is that item of defense support. There we have enormous sums of money, providing for the feed and the support of the armies of other countries in the Far East and in the Middle East. The only way we can provide them with those things and take care of the necessities that are theirs, and permit them to face the world and stay friendly to the United States, is to supply them as we have in the past with necessary sums of money. Those would be such countries as Korea, China, the Island of Formosa, those French-Indo Republics that succeeded the French colony of Indo-China, Cambodia, Laos, and Vietnam.

It is true that there were some irregularities in Laos, but those things have been corrected, and I believe there is nothing of that kind going on now. A representative of a contractual engineering firm which was and is currently in charge of some of our operations there, was before the committee, and I am relying on what he told us. He was brought in, not by the Department, but by the chairman of the committee.

Then we have a situation in Turkey, in Lebanon, in Jordan, and in Greece, where it is absolutely necessary, if they are to be able to meet the Soviet challenge in the Middle East, for us to take care of that picture.

Mr. JUDD. Mr. Chairman, I think what the gentleman is saying is of great importance. There ought to be more Members of the House here. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-



eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names.

## [Roll No. 114]

Abbltt	Fulton	Moulder
Albert	Garmatz	Nlx
Andersen,	Gavin	Norrell
Minn.	Gordon	Pilcher
Anfuso	Green, Pa.	Poage
Barden	Gregory	Powell
Barrett	Gwinn	Radwan
Bass, N. H.	Halleck	Rains
Bass, Tenn.	Harrison, Nebr.	Rhodes, Ariz.
Brooks, La.	Haskel	Rivers
Brownson	Healey	Robeson, Va.
Buckley	Holtzman	Robson, Ky.
Burdick	Hosmer	Rogers, Tex.
Byrne, Pa.	Jenkins	Shelley
Christopher	Jones, Mo.	Shuford
Colmer	Kearney	Smith, Miss.
Corbett	Kearns	Spence
Delaney	Kilburn	Steed
Dies	Kirwan	Talle
Diggs	Knutson	Taylor
Doillager	Macdonald	Teague, Tex.
Dorn, N. Y.	Malliard	Thornberry
Durham	Mason	Trimble
Eberharter	May	Vursell
Edmondson	Meador	Williams, N. Y.
Engle	Miller, N. Y.	Wilson, Calif.
Farbstein	Morris	Zelenko
Frelinghuysen	Morrison	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 13192, and finding itself without a quorum he had directed the roll to be called, when 331 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. TABER. Mr. Chairman, as the rollcall interrupted my statement, I was going over the situation in the Far East and the Near East, telling a little bit about the situation internationally that we are facing at the present time. Unless we are able to help take care of the troops of those countries, and if we are going to stave off the Soviet menace, we are going to be obliged to recruit an enormous number of United States troops that we do not have at the present time and put them over in the other countries. By the use of this program, and by the use of other programs from time to time, as we have gone along, the administration has been able to keep from having a great lot of bloodshed. That is something that we do not want to happen.

If we are going to be able to have enough of the rest of the world with us so that we can count on their support, keep them trained and properly equipped, we have to contribute funds for that purpose. I have named a number of those countries. I may have forgotten one or two that I should have named. I did not name Iran, Iraq, Saudi Arabia, Pakistan and one or two others. Those are countries which presently have committed a very large number of troops.

If we do not meet our responsibility and keep them in our corner and provide them with the things they need so that they can stay there, we are left in a very difficult situation in the world. Whether or not we could face the Soviet challenge without this support from

those Mid East and Far East countries, I do not know; neither does anyone else.

On top of that, the Soviets are running around all over the world trying in one way or another to create disturbances which will destroy our capacity to maintain such situations as we have maintained in South America for so long. We will not have the facilities to do it and that is where the development loan fund comes in very largely. It will help tremendously to keep the South American group in our corner. And we need in order to do this not only the defense support increases that have been suggested—that is, \$75 million for defense support—but \$300 million more for the Development Loan Fund and an additional \$55 million, up to the authorization, for the President's contingent fund. We need these amounts so that he can step in where things are going wrong and need be bolstered. We have to do that all the time so that we can meet the responsibility that we have to try and ward off advances on the part of the Soviets.

Frankly, I do not like to spend money any better than anybody else. I guess you all know that. But, it is a lot cheaper for us to provide the funds necessary to maintain Mideast and Far East armies than it is for us to put troops into the field and have them try to maintain our position. And, on top of that you have this situation: If we have to send troops over there because we are not providing the proper sinews of war to maintain their troops, putting our troops into other countries always creates a certain amount of hostility. So we are a lot better off if we face it head on and maintain those armies and keep them in our corner.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Connecticut.

Mr. MORANO. The gentleman is making an important statement, and I commend him for it. Does not the gentleman agree with me that if we cut this program too deep, it might result in an increase in our own defense budget by reason of the fact that we may have to increase the draft, build more guns, tanks, planes, and so on, to keep our defense posture in order to provide adequately to properly defend this country?

Mr. TABER. That is right. And, on top of that, the cost of our maintaining troops runs from \$3,500 to \$4,000 a man. The cost of the other countries maintaining their troops is a very small fraction of that.

Now, that is the situation confronting us. We are faced with the situation of whether we are going to appreciate our responsibilities and do the things that will save us money instead of trying to do something in a backhanded way. Because some mistakes have been made in the past, we should not fail to meet our responsibilities and the opportunity to keep ourselves out of war. Now, that is the situation as it seems to me. That is why I believe we would be better off if we carried enough money to enable the President to do the things that he needs to do and avoid a drift toward bloodshed and trouble.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. I notice an item of \$20 million for a new United Nations expanded program of technical assistance. On what basis do we contribute to that fund, does the gentleman know, percentage-wise?

Mr. TABER. Why, we will contribute \$20 million if this bill goes through. It is \$5 million more than last year. Frankly if anybody was going to cut the program, this was the place where it ought to have been cut. That program is not productive and not too satisfactory. They never have come in with a story before the committee that would stick together.

Mr. GROSS. I do not believe the gentleman understands my question. Percentage-wise, what is our contribution, does the gentleman know?

Mr. TABER. I do not know.

Mr. GROSS. Was that an increase from 33⅓ to 40 percent, or what?

Mr. TABER. I do not know.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. JUDD. Our present contribution is 45 percent. The authorizing legislation adopted last week provides that it shall not be in excess of 40 percent for the coming year. It is a reduction of 5 percent below the current year.

Mr. GROSS. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from Minnesota a question?

Mr. TABER. Sure.

Mr. GROSS. I thought the legal limitation was 33⅓ percent.

Mr. JUDD. No, that is not correct. There was a Senate rider in the bill last year providing that our contribution was to be cut from 50 to 45 percent this year; to 38 percent this coming year; and thereafter to 33⅓ percent. Our reduction from 50 percent to 45 percent was designed to encourage others to contribute more. But the reduction proved too steep. Although many other countries increased their contributions, they did not take up the full 5 percent, and so we actually paid less into the fund this year under the 45 percent limitation than we had authorized. So the committee, I think very wisely, decided not to reduce it so steeply in the coming year. It is partially certain that the others will not be able to provide 60 percent of the total amount and that the 40 percent contribution by us is probably smaller than it ought to be to make the fund fully operative. But that 40 percent is a reduction of 5 percent under the current year.

Mr. GROSS. How many countries are there in the United Nations, 80?

Mr. JUDD. Eighty-one other countries.

Mr. GROSS. And we are paying 40 percent of this fund?

Mr. JUDD. There are some United Nations programs, such as the Children's Fund, that was started right after the war, of whose budget which we are still furnishing more than 50 percent.



Mr. GROSS. Has the gentleman ever made any effort to reduce those funds to 33 1/3 percent?

Mr. JUDD. Yes. I think I was perhaps the first Member of Congress that took such a position back at the end of the last decade. I urged that, as far as the regular annual operating budget of the United Nations itself was concerned, and the budgets of the World Health Organization and all these other regular organizations, we ought to reduce our share as soon as possible to 33 percent, partly in order to reduce the cost to ourselves but, still more important, because it is better for those organizations not to be too dependent on one contributor.

Mr. GROSS. The hearings and the record show that the gentleman apparently led the parade in the Committee on Foreign Affairs to make it 40 percent instead of dropping it to 33 1/3 percent.

Mr. JUDD. Yes; for this particular fund, this new fund, just being set up. If it is to get started, our contribution will have to be more than 33 1/3 percent, at the outset, unless we want to kill the fund instead of helping it get its important work going quickly.

Mr. GROSS. That is one of the things that prompted me to say the other day that the House Committee on Foreign Affairs is always very liberal with the taxpayers' money.

Mr. JUDD. Well, we are trying to win a war.

Mr. GROSS. What does the gentleman mean?

Mr. JUDD. We are trying to win a war, and I think, on the whole, the program has been remarkably successful.

Mr. GROSS. What war?

Mr. JUDD. The war we are in. And if we win this cold war, we will not have to fight a shooting war, but if we do not win this cold war, we may have to fight a shooting war.

Mr. GROSS. That is an assumption, that we are going to be in a shooting war tomorrow or the next day; that is purely an assumption.

Mr. JUDD. That is my considered belief on the basis of evaluation of the threat that we face.

Mr. GROSS. The gentleman can have his opinion; I have mine.

Mr. JUDD. That is true. And I respect the gentleman's right to his opinion. Each man will make his judgment in terms of his estimate of the seriousness of the threat to our country. That is my estimate of it.

Mr. TABER. Mr. Chairman, there are some of those items that have been treated very liberally. But as to the major items—that is, Defense Support, the Development Loan Fund and the Contingency Fund of the President—they have been cut very heavily. And as to those items I think it would be in the interest of the United States if we could restore them, at least a part of them. I think that we would be serving the purposes of the United States a little better if we brought these appropriations in line a little more with the need.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. VORYS. The distinguished Chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], made quite a point of the fact that money had been appropriated I think two years ago for the Asian Development Fund, but that there was still \$88 million unobligated. Would not the gentleman say that that is evidence that this agency is not going to spend the money if they do not need it, that they are being careful, rather than proof that they are spending too much?

Mr. TABER. It must be that the gentleman from Louisiana, the Chairman of the subcommittee, though that they were exercising considerable discretion. He made no attempt whatever to disturb that fund, and he appeared glad to let it go along and be used whenever they could for the purposes for which it was set up.

Mr. PASSMAN. Mr. Chairman, as the gentleman has mentioned my name, will he yield to me?

Mr. TABER. Yes, I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to make it abundantly clear this fund was available for 3 years and it was not needed. The expenditure was only \$12 million. The appropriation was on a 3-year basis and the balance was about to expire, so they rushed in and placed it behind some veil and called the funds obligated. I knew, and I think the distinguished gentleman from New York, if he would check into it, would have similar information, that they did not actually obligate the money. I said to them, "If you will cut out that type of maneuvering I shall recommend that the account be continued for an additional year." I made such a recommendation in order to forestall them from dissipating \$88 million on projects which were not firm, and for purposes which are not known to the committee. Let us keep the fact straight. It was to prevent them from recklessly dissipating funds that I asked the committee to back me in continuing the availability.

Mr. VORYS. If the gentleman will yield further, this action on the part of the chairman of the subcommittee that he just described shows that he apparently has confidence that there is no danger that if you appropriate money they do not need they will spend it anyway. This is an example of how an appropriation has gone on for 2 or 3 years that they did not need for the specific purpose, and they did not spend it. I think you can trust these people to have this money. If they do not need it they will not use it.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for clarification?

Mr. TABER. I yield.

Mr. PASSMAN. They had not obligated these funds 30 days ago. The \$88 million would have lapsed June 30. Then, all at once, they came up and said, "We have obligated it." What are you going to do when they say the funds are obligated? I said I would recommend to continue the availability for another year so that they could have the use of this money they said was obligated, for what reasons or purposes we do not know.

Mr. TABER. But we have continued it, and that means that will be available in that fund. I hope that will help to take the place of some of the funds that are needed for other purposes.

Frankly, I feel that these programs should be handled with the greatest care all over the world. I do not believe they should be handled as a matter of brass bands and blare. It should be done quietly and carefully, and we should not waste the money. I believe that even with that kind of management it is going to be necessary for us to provide a little more for some of these things I have mentioned if we are going to permit the agencies to do a good job. That is why I am in favor of some increases.

I do not believe in spending money, as I say, but I think if we are going to hold our end up and keep from having the Soviets on our shores, we are going to have to meet our responsibilities face to face and not try to dodge.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 25 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Chairman, may I at the outset express my appreciation to the chairman of the subcommittee for the personal reference he was kind enough to make. I am grateful for what he said and despite our differences in this particular field of congressional responsibility, I value his friendship.

May I also say at the outset that I have the utmost confidence in those who are now in charge of this program. There is, of course, room for differences in judgment. But, I know of no justification for any suggestion of any lack of sincerity, any lack of veracity, any lack of cooperative spirit with your committee.

I think generally speaking, with exceptions here or there, that the presentation to your committee by those in charge of the program this year was the best presentation that has ever been made in this field to that committee.

If anybody is interested in the steps that have been taken in the past year with a view to economy and greater efficiency, I would simply refer you to the hearings—pages 50 to 54 inclusive.

#### IMPORTANCE OF BILL

Mr. Chairman, I consider this bill as one of the most serious and vitally important matters to come before the Congress.

America today is fighting a cold war. Whether or not the people generally recognize that fact, there is no escape from it. The loss of that cold war could have disastrous consequences not only for America, but for the entire free world.

We are also confronted, Mr. Chairman, by the danger of a shooting war at this point or that in the world, with all that is inherent in that danger.

America today has 6 percent of the world's population. The Kremlin controls directly or indirectly about 33 percent of that population.

It is impossible for any one nation in the free world to stand alone against the



ruthless power of the Communist world.

Our whole defense policy is based on mutual security, on fighting allied forces aided by military assistance and by defense support, and on ammunition provided, largely in this bill, with which to fight the cold war.

Mr. Chairman, every dollar of the \$3,900,000,000 requested by the President was sought to implement this policy.

Every unjustified slash in military assistance or in defense support increases the danger in the event of a shooting war.

Every unjustified slash in the request for nonmilitary funds decreases the ammunition required for the cold war.

I have stood for economy over the years, Mr. Chairman. I favor reductions in this bill or any other appropriation bill where those reductions can be justified by the facts. But, Mr. Chairman, I am opposed to cutting, just for the sake of cutting, in a field involving the freedom, if not the existence of America and the free world.

The dangers involved in the present world situation cannot possibly be over-emphasized. This is no time to relax our efforts.

Speaking in this connection, and of the importance of the mutual-security program, Secretary Dulles had this to say for the record. I have quoted him before in part. He is worth quoting again:

The "giveaway" so often complained of would have occurred if we had not had this program or if we should slacken it now. Without a mutual-security program we would indeed have "given away" half of Europe to chaos or communism. We would have "given away" Greece and Turkey and the eastern Mediterranean to Soviet control. We would have "given away" Iran, and Russian access to the Persian Gulf and the Indian Ocean—and the economic strength of Europe which depends heavily on Middle Eastern oil. We would have "given away" Korea, and the Republic of China and Vietnam—and in all likelihood the rest of southeast Asia. The "giveaway" would reach or come dangerously close to Pakistan and India—the great Asian subcontinent with a fifth of the entire human race.

If we now weaken in our determination and slacken in our pace, we will indeed "give away" to communism in the next few years the control of a dozen or more nations with enough people and resources to change the balance of power irretrievably against us. We would indeed "give away" bases and allied forces essential to our own strategic defense system. We would indeed "give away" the access which we and other free nations have to resources essential to our own industry and to trade essential to our own welfare and prosperity.

Mr. Chairman, the request made by the President is the smallest request that has been made in several years.

The \$3,900,000,000 requested compares with the peak request back in 1951 under President Truman, of \$7,400,000,000.

The cost of the program requested, for every American is something less than 7 cents per day.

#### UNEXPENDED BALANCES

The chairman of the subcommittee has dwelt at length on the subject of unexpended balances. His entire case rests almost completely on these unexpended balances.

Of course there are unexpended balances, Mr. Chairman. Those are inevitable, just as they are inevitable in our own military program. We must have adequate pipelines.

I call your attention to the fact, however, that unexpended balances have decreased some \$10 billion since 1953.

I call your attention also to the fact that if you will analyze these balances you will find that the pipeline for military aid is tied down almost exactly to a period of 18 months; that the pipeline for non-military aid is tied down almost exactly to 12 months; that these 2 periods have always been regarded as the minimum periods for the proper operation of this program.

I call your attention further to the fact that as of June 30, 1958, and again as estimated for June 30, 1959, unobligated balances, which are the important balances, will be substantially zero. There are practically no unobligated balances of consequence as of either date.

I have here a table. Without going into too much detail it shows for military assistance an unexpended balance as of June 30, 1959, of \$2.9-billion compared with an expenditure of \$2.2 billion. That is less than an 18 months' pipeline.

For defense support it gives an unexpended balance as of June 30, 1959, of \$857 million as against expenditures of \$889 million. That is less than a 12 months' pipeline.

For development assistance it gives an unexpended balance of \$85 million, as against expenditures of \$83 million, which is about a 12 months' pipeline.

In technical cooperation it gives an unexpended balance of \$173 million, as against expenditures of \$167 million, just a little over a 12 months' pipeline.

For special assistance it gives an unexpended balance of \$168 million, as against expenditures of \$177 million, which is less than a 12 months' pipeline.

Mr. Chairman, two-thirds of the entire request goes either directly or indirectly for military assistance.

Seventy-five percent of the total goes directly to American industry; the balance returns to our shores subsequently in terms of dollar purchases from overseas.

This program affords 600,000 jobs for American workers and American farmers.

#### COMMITTEE ACTION

Mr. Chairman, I am deeply concerned by the reductions proposed by the Appropriations Committee. I do not think they can be justified by the facts. I think they are far too drastic. I think they involve a risk which we are unwarranted in taking at this time.

You will note that the request of \$3.9 billion was reduced by \$275 million in the authorizing legislation; and that it is now proposed to reduce that by another \$59 million, making a total reduction of \$872 million, or about 20 percent.

Military aid takes a slash overall of \$285 million overall.

Defense support takes a slash of \$135 million.

Special assistance takes a slash of \$27 million.

The development loan fund takes a slash of \$325 million.

The President's contingency fund takes a slash of \$100 million.

I shall refer briefly to each of these reductions.

#### MILITARY ASSISTANCE

The request for military assistance was for \$1,800,000,000, compared with a figure of \$1,878,000,000 for the fiscal year 1958.

That \$1.8 billion represents a reduction of about \$3.2 billion as compared with the estimates of our military people in the field, estimates made with a view of reaching essential force goals within a stipulated time as determined by the Joint Chiefs of Staff.

The authorization legislation imposes a further slash of \$195 million, and your Appropriations Committee now recommends a further cut of \$90 million.

The purpose of this aid, as we know, is primarily to provide military equipment for our allies made in American factories by American labor.

It is to help maintain some 4,800,000 ground forces, some 2,500 combat ships, and some 34,000 combat planes, of which 16,000 are jets. This compares, if we look at the year 1950; with 3,500,000 ground forces, 1,200 combat ships, and 16,000 combat planes, of which 600 were jets.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has said that 75 percent of this money is spent in the United States, is that correct?

Mr. WIGGLESWORTH. In the first instance.

Mr. GROSS. And that 25 percent comes back so that we get 100 cents out of every dollar we spend?

Mr. WIGGLESWORTH. Eventually.

Mr. GROSS. Eventually. Do not your hearings show that 20 percent of this money is spent for off-shore procurements?

Mr. WIGGLESWORTH. In the first instance. Those dollars can only be used in this country and they come back here eventually.

Mr. GROSS. Yes. If we get 100 cents on the dollar out of this spending why not double, triple or quadruple what we are presently spending, if it is so good for the economy of this country?

Mr. WIGGLESWORTH. I do not think the gentleman would go along with that program any more than I would.

Mr. GROSS. No, I would not, and the gentleman knows that, but I am accepting your figures. Let me ask the gentleman, if this built in gimmick in the United States economy is so good, why not increase it that way?

Mr. WIGGLESWORTH. Because enough is enough and to much is too much.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I promised to provide certain information to the gentleman. Would the gentleman like for me to answer the question now or later?



Mr. WIGGLESWORTH. I would like to keep my remarks somewhat in continuity.

Mr. PASSMAN. Let me know when you are ready and I will supply the information requested.

Mr. WIGGLESWORTH. Mr. Chairman, the growth referred to between 1950 and today could not have been possible without our military assistance. It is, of course, far cheaper than if we tried to do the job ourselves. I am sure no one, knowing that America has only 6 percent of the world's population, wants to see American boys shoulder the burden that our allies are now carrying.

Last year we made a substantial slash in this item. What was the result? First, of course, it resulted in a postponement of the date at which essential force goals could be reached.

Over and above that it was necessary to make substantial reductions in the military programs for France, Italy, Taiwan, and Korea, in terms of aircraft, ammunition, minesweepers, modernization of aircraft communications and electronic systems; and to reduce other military programs by \$218 million.

Was any damage done? If war does not come, no one can point to the damage. You can abolish the whole item if war does not come. If war comes tomorrow and we are responsible for leaving our allies improperly equipped, we take the responsibility, Mr. Chairman, and this country of ours takes the consequences.

I cannot help but recall a day several years ago when my able friend and colleague, the gentleman from Minnesota [Mr. Judd], and I and several other Members of this House were in the country of one of our Asian allies talking to the head of the military establishment there, as fine a looking officers as you could hope to find anywhere in the world.

I cannot quote him exactly, but in substance he said, "Gentlemen, don't the American people know that we have signed on the dotted line as their allies? Don't they know that we have agreed to stand with them, to fight with them and, if necessary, to die with them?"

"We know how to fight," he said. "We have proved it again and again. But, gentlemen, we cannot fight without proper military equipment. You have promised us that equipment. In God's name, where is it?"

#### DEFENSE SUPPORT

Now a word about defense support. The request from the President was for \$835 million compared with \$728.9 million in the present year. It has been reduced to \$810 million in the authorization bill, and you now have a recommendation before you to appropriate only \$700 million.

In my judgment, Mr. Chairman, this is the most dangerous of all the proposed cuts.

The purpose of defense support is to help maintain military forces, that it is impossible to maintain without assistance.

My good friend and colleague, the chairman of this subcommittee, will tell

you that all defense support is economic aid.

Of course, it is economic aid in character, but its purpose is military and purely military and it goes only to those of our allies who are trying to maintain military forces that they cannot otherwise maintain.

It goes to 12 countries.

All of them except Spain are on the periphery of the Communist world.

These countries maintain more than 3 million men. That is more than we intend to maintain in this country of ours.

There are 6 military installations in these countries which are of tremendous importance to this country and to the free world.

Fifty percent of the total goes to Korea and Viet Nam, both of whom face active communist forces across their borders. Thirty percent goes to Turkey, Pakistan, and Taiwan, our staunch allies of the greatest importance in terms of national defense.

We slashed this item last year also, and what was the result?

Well, it resulted in a reduction of \$147 million in the programs of the 5 allies I have just referred to plus 2 smaller countries. It resulted in very drastic cuts in reference to Korea and Vietnam, and I think I am correct in saying that it resulted in a decision in Korea to reduce the number of Korean divisions by four, and in very great concern that we may lose in that country the gains we have made in recent years as the result of inflation.

A short while ago we had our own military appropriation bill on the floor here. By amendment we adopted an additional obligation of \$800 million, representing an increase in ground forces for the Army, which the President of the United States, with his vast military experience, believed to be unnecessary.

Why did we do that? Because the Congress as a whole wanted to make sure that in the event of trouble there would be enough.

Mr. Chairman, if we apply that same reasoning here, we will not risk a further slash in the forces of our fighting allies, Spain, Turkey, Pakistan, Korea, Taiwan, and Vietnam.

#### SPECIAL ASSISTANCE

A word as to the special assistance request.

The request here was for \$212 million compared with an appropriation last year of \$225 million and an availability of \$255.29 million. It was reduced to \$202.5 million by the authorization legislation, and you have a recommendation here for a further cut to \$185 million.

The purpose of this special assistance is the maintenance or promotion of economic or political stability where we are not supporting military forces and where we cannot take care of our own interests through technical assistance or the Development Loan Fund.

The details of this appropriation are classified, but I can say that included in the countries for which it is expected to make this type of aid available are

four countries within which are located military bases and installations of great importance to this country; as well as other countries where interior security is of great importance, and other countries such as Israel, Jordan, and others in the Near East, as well as Berlin, and Bolivia.

Mr. CURTIS of Massachusetts. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum. The gentleman from Massachusetts may proceed.

Mr. WIGGLESWORTH. Mr. Chairman, one-half of the proposed cut, I am advised, is to be imposed on those countries where we have important military bases and installations.

I believe that the cut of \$70 million below 1958, and \$27 million below that proposed for 1959, is too deep.

#### DEVELOPMENT LOAN FUND

Turning now to the Development Loan Fund, the request, as you know, was for \$625 million. Your committee recommends an appropriation of \$300 million.

This Development Loan Fund, as will be recalled, is a new program. It was adopted a year ago in lieu of the development assistance program with which we have had so many troubles over the years.

It was designed to substitute loans for grants, to substitute transactions under which there was a possibility of obtaining repayment for those under which there was no such possibility.

It was designed to eliminate so-called illustrative programs, with which we struggled for years and which were so unsatisfactory at both ends of the avenue.

It was designed to substitute specific projects under specific criteria. And may I point out in passing that one of those criteria, as you will note from page 43 of the hearings, is to the effect that "loans should be only for projects which have a reasonable expectation of repayment" either in local currencies or dollars.

This program was designed to make it possible to base appropriations on known performance in the past, as we do in the case of the Export-Import Bank, rather than on unknown performance in the future.

It was designed to put the program on a more businesslike basis.

Mr. MARTIN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-six Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 115]

Abbitt	Bass, N. H.	Burdick
Andersen	Bass, Tenn.	Byrne, Pa.
Minn.	Beamer	Celler
Anfuso	Bosch	Christopher
Barden	Brownson	Clark
Barrett	Buckley	Colmer



Cooley	Harvey	Pilcher
Corbett	Healey	Poage
Coudert	Hébert	Powell
Dawson, III.	Hillings	Radwan
Dellay	Holtzman	Rains
Dies	Jenkins	Rhodes, Ariz.
Diggs	Jones, Mo.	Rivers
Dollinger	Kearney	Robeson, Va.
Dorn, N. Y.	Kearns	Shelley
Eberhart	Kilburn	Shuford
Edmondson	Kirwan	Spence
Engle	Latham	Springer
Farbstein	LeCompte	Steed
Fascell	McIntire	Talle
Fogarty	Macdonald	Taylor
Friedel	Machrowicz	Teague, Tex.
Fulton	Mason	Teller
Garmatz	May	Thompson, La.
Gordon	Meador	Thornberry
Green, Pa.	Miller, N. Y.	Trimble
Gregory	Montoya	Vursell
Gubser	Morris	Watts
Gwinn	Morrison	Williams, N. Y.
Halleck	Multer, N. Y.	Wilson, Calif.
Harris	Nix	Zelenko
Harrison, Nebr.	O'Neill	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILLIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 13192 and finding itself without a quorum, he had directed the roll to be called, when 337 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. WIGGLESWORTH. Mr. Chairman, just before the rollcall I was discussing briefly the new Development Loan Fund and the reasons why it had been set up in substitution of the old development assistance program with which we had so much trouble.

As originally presented to the Congress, the plan called for a \$2 billion capital to be accumulated over 3 years, for an appropriation of \$500 million in the current fiscal year and for an authorization of \$750 million in fiscal 1959 and a further \$750 million in fiscal 1960.

The Congress a year ago substituted an appropriation of \$300 million for the fiscal year 1958 and an authorization for an appropriation for the current fiscal year 1959 amounting to \$625 million.

The loan fund committee went to work as of about the 1st day of January 1958. In other words, it has been operating just about 6 months with the \$300 million that we appropriated a year ago.

Now, Mr. Chairman, the chairman of the subcommittee this morning emphasized how little, according to his latest advice, had been technically obligated out of this \$300 million.

I want to say that I have in my hand here a list of loans which shows that 23 loans aggregating \$163.5 million have had the firm approval of the loan committee; that in addition 5 loans aggregating \$50.7 million have been approved in principle by that committee, giving a total for loans with firm approval or approval in principle of \$214.2 million out of the \$300 million that we gave them.

The document also indicates that the balance of \$155 million remaining of the \$300 million appropriation will, it is expected, be used up in the very near future out of 12 additional loans which are all itemized here aggregating \$155 million.

May I add that I received this morning official notification to the effect that just over \$100 million in loans are now as of June 30, 1958, definitely obligated, loan agreements having been signed. The loans are five in number.

So you have \$100 million tied up in loan agreements and the balance taken care of as I have indicated, and what the administration is doing in asking for \$625 million for fiscal 1959 on a 12-month basis is nothing more or less than asking to be permitted to go ahead during the next 12 months on the same basis as actual operations during the past 6 months.

I want to quote again briefly from Secretary Dulles in this connection. On page 287 of the hearings you will find that he stated for the record as follows:

The Development Loan Fund, established by the Congress last year, is one of our chief methods for waging the cold war in its present phase. \* \* \* I cannot overemphasize to you how important I believe it is that this full some, limited as it is, should be available as a powerful and essential tool in the deadly economic competition now being waged against us and other free nations.

And, I might add, Mr. Chairman, that the Secretary's views seem to have been supported by group after group that have made surveys in this field.

I have in mind, for instance, the Senate Special Committee on Foreign Aid, the Committee on Economic Development, the National Planning Association, the International Development Advisory Board, and one of the Rockefeller groups each one of which has emphasized the importance of greater activity in this field.

To cut this \$625 million request which, frankly, in my judgment, in the light of experience to date, is a modest request, to \$300 million, seems to me to largely repudiate development aid as a weapon in the cold war. I think it is far too drastic.

#### PRESIDENT'S CONTINGENCY FUND

I want to say a word before closing about the President's contingency fund. The request this year, as you know, is for \$200 million. It has been cut to \$155 million in the authorization bill. The Appropriations Committee recommends a further reduction of \$55 million, making provision for \$100 million in appropriations.

The purpose of this fund, as I assume we all appreciate, is simply to provide the President of the United States with funds which he can use in case of emergency.

There have been similar funds in the past. They proved vitally important in such cases as Iran, Guatemala, Hungary, Jordan and in other emergencies.

As a matter of experience, in 1956 fiscal year we found that we needed \$265 million for unexpected developments. In 1957 we found we needed \$215 million. In 1958 we used up completely the \$147 million made available by the Congress and went into the red to the tune of \$40 million, borrowing the \$40 million from another fund from which it could ill be spared.

Mr. Chairman, it seems to me self-evident that a contingency fund which will afford real elasticity is absolutely vital today in view of the actual and potential situations which confront us.

I can only say again that I think that to slash this fund from \$200 million requested to \$100 million, in view of the experience of the last 3 years, just does not make sense.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. GROSS. Speaking of funds in this bill, can the gentleman tell me whether there are any entertainment or liquor funds in this bill, so-called representation allowances?

Mr. WIGGLESWORTH. There are the usual allowances in that respect for our various missions throughout the world.

Mr. GROSS. Can the gentleman tell me how much is provided in this bill by way of liquor in order to give away \$3 billion?

Mr. WIGGLESWORTH. It is a very small item, I will say to the gentleman.

Mr. PASSMAN. Mr. Chairman, if the gentleman will yield, I have the answer.

Mr. WIGGLESWORTH. — I yield.

Mr. PASSMAN. In the ICA alone the representation allowance, which in most instances, of course, is for choice whiskeys, amounts to \$200,000. In the military we are yet to receive the corrected figure.

Mr. WIGGLESWORTH. I thank the gentleman. That is \$200,000 for 41 different missions throughout the world.

Mr. PASSMAN. That is for one agency alone.

Mr. GROSS. If the gentleman will yield further, that is only one agency. Then you have the military end of it, and those people are given more money for liquor to give away some more money.

Mr. WIGGLESWORTH. The gentleman knows that this is for the entertainment that devolves on any foreign mission. Part of it may go for the purpose he suggests, the rest of it does not.

As far as this program is concerned, the allowance appears to be quite reasonable.

Mr. GROSS. Does the gentleman think that it takes \$200,000 or \$300,000 worth of liquor to give away \$3 billion?

Mr. WIGGLESWORTH. I do not think there is anything in the record to show that there is provided \$200,000 or \$300,000 for liquor.

Mr. GROSS. There is \$200,000.

Mr. WIGGLESWORTH. For representation allowances to 41 different missions.

Mr. GROSS. All right.

Mr. WIGGLESWORTH. Mr. Chairman, I decline to yield further.

#### OTHER PROGRAMS

Mr. Chairman, I am not going into the other programs, some 14 in number, because they call for smaller amounts and because there is no controversy in respect to any one of them insofar as the committee is concerned.

#### CONCLUSION

I just want to say in conclusion, as I have already stated, that our whole de-



fense policy is based on mutual security; on our allied forces which are aided by our military assistance and defense support; and on ammunition provided, largely in this bill, to fight the cold war.

Failure to provide sufficient funds, in my judgment, plays directly into the hands of the Kremlin and compels the use of more American manpower and more American dollars.

The cost is great, but it is far less than it would be if we attempted to shoulder the entire burden or if we became involved in another shooting war.

Assistant Secretary Robertson points out for the record that the initial cost to us of World War II was no less than \$350 billions and 961,000 American casualties, and that the cost of the Korean war was no less than \$18 billions and 143,000 American casualties.

Mr. Chairman, I regret the reductions recommended by the committee. I think they involve a risk we are unwarranted in taking at this time. I think they involve encouragement to the Kremlin and discouragement to the free world.

I hope they will be largely restored before this bill becomes law.

No stone should be left unturned to assure victory in the cold war which we are now fighting in the struggle for freedom, security, and world peace.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. The gentleman understands I am very fond of him and hold great respect for his integrity; but may I respectfully refer the gentleman to the CONGRESSIONAL RECORD of July 11, 1956, page 11182:

Mr. WIGGLESWORTH. Personally, I am very unhappy in the recommendation which is before us at this time. I agree with the previous speaker, the gentleman from New York [Mr. TABER], that the item for military assistance has been cut altogether too deeply.

I stand today as I have always stood for essential economy but I cannot, Mr. Chairman, stand for economy at the expense of national security.

When they returned a year later they admitted they had \$538,800,000 which was not needed and said it would lapse unless reinstated.

Mr. WIGGLESWORTH. If the gentleman had listened to my remarks he would have noted, and I put the figures in the RECORD, that the pipeline available for military assistance is exactly 18 months.

The gentleman persists in talking in terms of unexpended balances. These figures are meaningless unless you take into account the expenditures against them.

Mr. PASSMAN. It is money they could not obligate, and which would have lapsed. They did not need it. They said in effect, "You gave us \$538 million more than we needed. We could not even obligate it, and it is lapsing."

Mr. WIGGLESWORTH. The gentleman is talking about past history.

Mr. PASSMAN. The gentleman is just as correct now as he was then.

Mr. WIGGLESWORTH. If the gentleman had been listening to me, he would have also noted that I pointed out that as the result of the cut last year not only was the date of attaining essential force goals postponed, but the military programs of France, Italy, Taiwan, and Korea were cut very substantially, and the program of other nations were slashed to the tune of \$218 million.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute to clear up a misunderstanding. A little while ago the distinguished former Speaker made the point of order that a quorum was not present. I noted so many Members leaving the chamber I thought perhaps it had caught on fire. I looked up and did not see any fire. But when the Chairman had finished counting, we did not have a quorum.

We are not fooled by what is happening. I plead with the Democratic leaders and the Members on our side who believe in giving the American people what is fair and just to remain on the floor so that we can have a quorum present and finish the people's business this afternoon.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, I have not agreed nor do I agree with the action of the full Appropriations Committee in regard to the pending mutual security appropriations bill. I oppose the slashes in funds for defense support and for the development loan fund in the full committee and in the subcommittee. If the amendments I offered in the full committee to increase the amounts for these two items had been adopted I would have then offered further amendments to increase the items for military assistance and for the President's contingency fund.

I firmly believe that with world conditions as chaotic as they are at this time, we must wage peace with our dollars. The only alternative to mutual and American security through dollars for foreign aid and loans, in proper amounts and sensibly administered without waste or corruption, would be to increase by 2 or possibly 3 times the \$40 billion fiscal year budget which is presently being carried by the American taxpayers for our Defense Establishment. The mutual security method is far cheaper than bombs and munitions, and a great deal cheaper than American lives.

Those of us who feel as I do with regard to the deplorable cuts in the pending bill are confronted with a matter of parliamentary strategy. As things stand at the moment, and as a matter of strategy, I do not intend to offer amendments to increase the present amounts in the bill. If any proposed amendments are unsuccessful—and if they fail it becomes impossible to obtain a record vote on them except by way of a motion to recommit—their failure of adoption might very well jeopardize the final goal of those of us who feel that these appropriations for mutual security have been too severely cut. It seems to me that this legislation should be speeded over to the

other body, which I am given to understand, will restore a great part of the deleted funds.

I thank the distinguished gentleman from Louisiana [Mr. PASSMAN], the chairman of the subcommittee, for his fairness in yielding me this time.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. FORD].

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, before discussing the pertinent parts of this bill, I would like to read into the RECORD a summary contained in a letter which I believe the chairman of the subcommittee received from the Library of Congress which shows the grants and credits given to Communist countries from 1945, I believe, up to June 30, 1958. Subsequent to the conclusion of the proceedings by the Committee of the Whole today, I will ask permission to insert this report from the Library of Congress in the RECORD in toto.

Mr. Chairman, the summary taken from this report by the Library of Congress shows as follows:

In fiscal years 1946 and 1947 grants were made available to Albania to the extent of \$20,444,000.

In the fiscal years 1946 and 1948 to Czechoslovakia in the form of grants \$185,827,000 and in the form of credits \$29,583,000 for a total of \$215,410,000.

In the fiscal years 1944 and 1945 to East Germany grants were made to the extent of \$17,339,000. This was primarily food packages.

For the fiscal years 1946 and 1947 to Hungary in the form of grants \$16,021,000. In the fiscal year 1955 in the form of credits to Hungary \$15,917,000 for a total of \$31,938,000 to Hungary.

In the fiscal year 1946 and fiscal year 1947 to Poland in the form of grants \$364,978,000. This was primarily designated as famine assistance. In the form of credits to Poland \$77,720,000 for a grand total of \$442,698,000.

In the fiscal year 1946 and 1947 to the Soviet Union grants \$468,434,000 and credits \$222,495,000 for a grand total in the fiscal years 1946 and 1947 of \$687,929,000.

In the fiscal years 1946 to 1950, to Yugoslavia grants to the extent of \$780,454,000; credits \$55,900,000; a grand total to Yugoslavia of \$836,354,000.

The total is the total money mentioned by the subcommittee chairman in his previous statement of grants and credits to Communist countries to the extent of \$2,252,112,000. I ask the chairman if that is a correct figure, according to what I heard him say.

Mr. PASSMAN. The gentleman is quoting the exact figures I quoted; the grand total of money that we had given Communist countries from 1946 to June 30, 1952, \$2,252,112,000.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. TABER. Practically all that money was given right after the war,



and a large part of it was war lend-lease money?

Mr. FORD. As a matter of fact, with the exceptions of the funds for Hungary and Yugoslavia, the grants were primarily made under the so-called UNRA program and lend lease.

Mr. PASSMAN. If you analyze those figures, you will find that more than a billion dollars of the amount is in recent years, with \$836,314,000 going to Yugoslavia.

Mr. FORD. I would like to add, I will ask permission, when we get back into the House, to put the complete content of the report from the Library of Congress into the RECORD as a part of my remarks. The report reads as follows: UNITED STATES AID TO COMMUNIST COUNTRIES FOR THE PERIOD JULY 1, 1945-JUNE 30, 1957

Humanitarian assistance and relief on an emergency basis was extended to seven Communist countries in the postwar period and amounted to \$2,252,112,000. Grants or gifts totaled \$1,850,497,000 and credits or loans to be repaid were \$401,615,000 (table I). The breakdown of aid by program (table II) shows what an overwhelming percentage of grants was given through the international administration for relief and rehabilitation in the immediate postwar years. Other sums were disbursed through private relief organizations in the shape of surplus food parcels.

Famine and other extraordinary relief programs totaled over \$100 million. These comprised not only the special aid extended to Yugoslavia during the drought of 1950, but also aid to the refugees from the Hungarian persecutions. Economic grants under the mutual security programs consisted primarily of items for relief and assistance on an emergency basis. Lend-lease programs in the immediate postwar years consisted of the distribution of food, clothing and civilian type goods surplus to the armies. The American Red Cross assisted in ameliorating distress in the postwar years in continuation of its wartime programs of distributing aid to distressed areas with contributions made directly by Congress.

Credits are loans which must be repaid to the United States. Such credits consisted largely of surplus property sold to these areas on promises of payment. Such payments are continuing. The largest credit was extended to Russia, but which was a result of renegotiations of grants previously made. The Russians subsequently agreed to pay for these goods. Loans were also extended through the Export-Import Bank to Yugoslavia and Poland. In the first instance, most of the credit extended was spent for foodstuffs in the United States so as to combat the imminent famine. Poland received a loan to rehabilitate her ravaged coal mines. The money for machinery was spent in the United States.

It will be noted in the accompanying explanation of aid (table III) for each country that all aid was spent under direct authorization and appropriation laws by Congress. In the majority of programs such aid was for relief in 1946 and 1947 or in Yugoslavia in 1950. The major portion of aid was spent for humanitarian purposes from 1946 through 1950 when the United States was the only major country able and willing to spend her substance unselfishly to aid the suffering.

*I. United States aid to Communist countries, July 1, 1945-June 30, 1957*

Country	Grants	Credits	Total
Albania.....	\$20,444,000	.....	\$20,444,000
Czechoslovakia..	185,827,000	\$29,583,000	215,410,000
East Germany....	17,339,000	.....	17,339,000
Hungary.....	16,021,000	15,917,000	31,938,000
Poland.....	364,978,000	77,720,000	442,698,000
Soviet Union.....	465,434,000	222,495,000	687,929,000
Yugoslavia.....	780,454,000	55,900,000	836,354,000
Total.....	1,850,497,000	401,615,000	2,252,112,000

*II. Breakdown of aid by program*

Grants:		
UNRRA.....	\$1,054,642,000	
American Red Cross.....	3,449,000	
Lend-lease.....	277,424,000	
Mutual security:		
Economic.....	364,336,000	
Famine.....	100,967,000	
Welfare.....	49,679,000	
Total.....	1,850,497,000	
Credits (to be repaid):		
Surplus property.....	277,032,000	
Export-Import Bank.....	124,583,000	
Total.....	401,615,000	
Total.....	2,252,112,000	

*III. U. S. foreign aid to Communist Countries—July 1, 1945-June 30, 1957*

Albania: \$20,444,000. Part of grants from the United States to the United Nations Relief and Rehabilitation Administration, fiscal 1946, \$13,052,000; fiscal 1947, \$7,392,000. Congressional authorization, Public Law 262, December 18, 1945.

Czechoslovakia: \$215,410,000. Grants, \$185,827,000; credits, \$29,583,000.

Grants: UNRRA: Fiscal 1946, \$109,144,000; fiscal 1947, \$74,230,000. Congressional authorization, Public Law 262, 1945.

American Red Cross: Fiscal 1946, \$75,000. Congressional appropriation, Public Law 353, 1941, extended at various times until December 31, 1945.

Lend-lease surplus supplies: Fiscal 1946, \$2,000. Congressional authorization, Public Law 132, 1945. Relief supplies consisted of food and clothing.

Mutual security aid: Fiscal year 1955. From economic and technical appropriations, \$379,000; famine and other urgent relief, \$1,995,000; agricultural commodities through private welfare agencies, \$2,000; congressional authorizations, Mutual Security Act of 1954, Public Law 665; Mutual Security Act of 1954, Public Law 138; Agricultural Trade Development and Assistance Act, title II, 1954, Public Law 480.

Credits, \$29,583,000. Export-Import Bank fiscal years 1946, 1947, 1948. Direct loans through Bank, through agencies of private banks, and for surplus property extended to Czechoslovakia before it was taken over by Russia.

East Germany: \$17,339,000. During fiscal years 1954, 1955, shipments of food were sent through Berlin as part of the mutual security program to alleviate the food shortage in East Germany. These shipments were made by the Foreign Aid Administration under congressional authorization of overall programs of the Mutual Security Act of 1954, Public Law 665; Mutual Security Act of 1955, Public Law 138; Agricultural Trade Development and Assistance Act, 1954, Public Law 480.

Hungary: \$31,938,000. Grants, \$16,021,000; credits, \$15,917,000.

Grants: UNRRA, \$2,359,000; relief food and clothing distributed, fiscal 1946, \$604,000; fiscal 1947, \$1,755,000; Mutual Security Aid, \$13,662,000. Under this heading food and clothing and medicine grants have been made to Hungary for urgent and extraordinary relief since 1955, notably for the freedom fighters and refugees. Relief was granted under both these programs established by congressional authority of UNRRA, Public Law 262 (1945) and MSA Public Law 138 (1955).

Credits, \$15,917,000. This consisted entirely of surplus food and clothing supplies left by the United States armies in Europe and sold to Hungary as surplus property during fiscal years 1946 and 1947 before the country was taken over by Russia.

Poland: \$442,698,000. Grants, \$364,978,000; credits, \$77,720,000.

Grants: UNRRA, \$364,031,000. This total consisted of food, clothing and other relief disbursed during the immediate postwar period (fiscal years 1946, 1947) so as to forestall famine.

American Red Cross, \$855,000. This total comprised relief supplies to ease suffering caused by war.

Lend lease, \$92,000. Food and clothing supplies that were accounted surplus were distributed as relief.

Assistance under these three headings was disbursed under distinct congressional authority of UNRRA, Public Law 262, 1945; American Red Cross, Public Law 353, 1941; lend-lease supplies, Public Law 132, 1945.

Credits, \$77,720,000. Export-Import Bank, \$40 million; surplus property, \$37,720,000.

On April 24, 1946, a special loan was extended to Poland for the purchase of coal cars and locomotives in the United States so as to rehabilitate the Polish coal mining industry, largely destroyed during the war and also to replace outdated machinery. This loan was administered by the Export-Import Bank as the primary lending agency of the United States Government. Surplus property (mostly food and clothing) resulting from United States armies in Europe was also sold to Poland on a long-term basis with the Export-Import Bank acting as the receiving agent for payments on behalf of the United States Government. Both programs were completed before Poland fell in the Soviet orbit.

U. S. S. R., \$687,929,000. Grants, \$465,434,000; credits, \$222,495,000.

Grants: UNRRA, \$186,380,000. Relief supplies were furnished to Russia, principally to the Ukraine and Byelorussia during fiscal years 1946 and 1947.

American Red Cross, \$1,800,000. Food and clothing supplies were also distributed by the American Red Cross during fiscal year 1946.

Lend lease, \$277,254,000. During the war years Russia received nearly \$11 billion in lend-lease supplies to assist in its defense and to build up an offensive against Germany and later against Japan. The totals mentioned here comprised civilian-type goods that were granted or given to the Soviets since they could not be used elsewhere having been made to Soviet specifications. Food and clothing were included.

These grants were given by the agencies administering the programs under congressional authorizations: UNRRA, Public Law 262, 1945; American Red Cross, Public Law 353, 1941; lend lease, Public Law, 132, 1945.

Credits, \$222,495,000. Immediately after VJ day on August 8, 1945, the United States notified recipients of lend-lease aid that war materials in the pipelines would be transferred only on a credit basis.



Accordingly on October 15, 1945, the Soviets agreed to receive the transfer of reimbursable goods as a credit, with payments to begin in 1954. This agreement was negotiated by the executive department under authority of the Lend Lease Acts with reference to the master agreements for settlement of lend-lease accounts. Thus any civilian-type goods previously included in lend-lease grants would have to be paid for under subsequent renegotiations. These were called credit offsets to grants and repayment to the United States was expected.

Yugoslavia: \$836,354,000. Grants, \$780,454,000; credits, \$55,900,000.

Grants, \$780,454,000. UNRRA, \$298,054,000. Vast sums were spent for food, clothing, and materials for rehabilitation to repair the ravages of war because of the dire need.

Lend lease, \$76,000. Food and clothing were diverted from surplus Army stocks to avert famine.

American Red Cross, \$719,000. In addition to the International United Nations relief agency, the American Red Cross also stepped in during 1946 to assist this country feed its starving people.

Agricultural commodities, \$49,677,000. Since the summer of 1950, when drought threatened imminent famine, the United States has granted private welfare agencies and international church relief organizations permission to distribute food parcels for relief. Surplus food is diverted to these organizations and the nominal cost is classified as foreign aid. Congressional authority was given in Public Law 480 (1954) for extending this type of relief because of urgency and direct contact with certain specific areas by mission stations and other agencies. Relief of this nature was also extended to refugees coming over the borders during the Hungarian uprising.

Famine, urgent and other relief, \$47,750,000. Emergency aid was furnished by the Economic Cooperation Administration (ECA) by shipping foodstuffs, especially flour, from United States relief supplies in Europe to Yugoslavia because of the results of the extreme drought in the summer of 1950. Urgent relief was also provided Hungarian refugees.

Yugoslavia aid, \$37,560,000. On October 20, 1950, Yugoslavia asked the United States for emergency assistance as a result of the dire drought which had ravaged the country. Under Public Law 897 signed December 29, 1950, Congress authorized the Economic Cooperation Administration to spend up to \$50 million of funds previously appropriated for the European recovery program under the mutual defense assistance program, Public Law 759, approved September 6, 1950. The full total authorized was not expended.

Mutual security economic aid, \$346,618,000. Stopgap aid in 1950 was also provided under the economic aid clauses of the mutual defense assistance program, public Law 759. Because of its strategic location Yugoslavia was of direct importance to NATO and its ability to defend itself contributed to the preservation of peace and security of the NATO area. In line with this congressional directive the United States also considered additional help to be given because the drought had weakened Yugoslavia's ability to export agricultural commodities with which it normally acquired resources to pay for needed imports of critical raw materials. The drought had also caused such a shortage of critical materials that the United States considered Yugoslavia unable to defend herself against aggression. In April 1951 additional funds were made available under the mutual defense assistance program, Public Law 759, so as to provide raw materials and other supplies needed to support the requirements of the Yugoslav armed forces.

In the meantime the Yugoslav foreign trade deficit was such that both the United Kingdom and France agreed to collaborate with the United States to help Yugoslavia get raw materials, consumer goods, and other essentials to offset the decline of the earlier flow of such goods from the Soviet orbit. Yugoslavia's break with the Cominform in June 1948 resulted in a complete cessation of its trade with Eastern Europe.

Credits, \$55,900,000. Prior grants to credits, \$900,000. Grants given previously were renegotiated and transferred into obligations to repay the United States over an extended period of time.

Export-Import Bank loans, \$55 million. In August 1950 a loan had been negotiated for materials and equipment to rehabilitate the economy, but because of the drought a sizable portion of this loan was diverted to the buying of foodstuffs to avert famine. To date \$11,250,000 have been repaid.

Mr. PASSMAN. I want the gentleman to know that I hold him in high esteem.

Mr. FORD. I am happy to state that although in regard to this particular program we sometimes disagree, I have enjoyed working with the gentleman, and I look forward to an opportunity in the future. I may say that what I intend to do today and tomorrow is not because anybody is urging me to do so. If you will look at the RECORD during the past 10 years since I have been a Member of this House, I have consistently supported this program both as to authorizations and as to appropriations. I supported it when it was a program recommended by a Democratic President. I am now supporting it as a program recommended by a Republican President. I intend to do it, whenever I feel the program is right, in the future.

Mr. PASSMAN. I do not wish to imply anything whatsoever that is discreditable on the part of the gentleman; but I do observe that many of those who carry the ball on the other side of the aisle are the same individuals who tried to cut the program when there was a Democratic President.

Mr. FORD. I do not think that criticism is a fair criticism as far as I am concerned. If the gentleman will look at the RECORD, he will find that it is not an accurate criticism of my own record.

I yield to the gentleman from New York.

Mr. TABER. I may say that for my part I have supported grants to foreign countries when I thought they were right and I have opposed them when I thought they were wrong. This time I am supporting them because I think they are right.

Mr. FORD. Anybody who knows the gentleman from New York certainly admires his forthrightness. Certainly his record of supporting those things in which he believes is clear.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. GROSS. Speaking of loans to Communist countries, am I incorrect in my memory that a loan was made to Poland not so long ago out of some funds? I do not know what those funds were.

Mr. FORD. It is my recollection that the loans made to Poland in fiscal 1958 were a combination; those which were

financed in part through the Public Law 480 program, and to some extent—I will have to check the record to be accurate on this—from special assistance.

Mr. GROSS. If my memory serves me correctly, it was only a few days ago that the Premier of Poland supported the execution of the Hungarian patriots. Is that not correct?

Mr. FORD. I understand that such attitude on his part and what he did, if I read the news correctly, was done at the end of a pistol.

Mr. GROSS. No matter how it was done, it was done.

Mr. FORD. Sometimes people do that which they know is wrong when under such duress. Now, if I may, I would like to proceed with my comments.

The whole area I think has been most ably and effectively covered by the distinguished gentleman from New York and the distinguished gentleman from Massachusetts on our side of the aisle, indicating the position of the administration. For myself may I simply state that I believe the reductions made by the committee in the military assistance part of the program are too severe.

I strongly believe that the reductions made in the defense part of the program are much too deep.

The reductions made in the Contingency Fund are likewise serious. The very substantial cuts of over 50 percent in the Development Loan Corporation funds are likewise of a serious nature.

The area that I think is most serious is that of defense support. I would like to develop just precisely why I feel this way. First, let us take the request of the administration. It was for \$835 million. The authorization bill reduced this to \$810 million. The subcommittee of the House Committee on Appropriations and finally the full Committee on Appropriations reduced that by \$110 million. In the bill we have before us today the total is \$700 million. This is \$89 million less than was made available in fiscal 1958, and it is a figure \$135 million less than the President requested at the time the budget was submitted.

We find this to be true this year. It is something that is worth noting. There will be no, or virtually no, unobligated balances in this program at the end of fiscal 1958. The program, therefore, is starting this year with no carry-over of unobligated funds. This is the first time in this area that this condition has prevailed.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. PASSMAN. I trust I shall not be misunderstood. I wish to refer the gentleman to the CONGRESSIONAL RECORD of July 11, 1956, page 11194, from which I quote:

Mr. FORD. The record should be clear that in the subcommittee I voted against the reduction made below the House authorization figure. In the full committee I voted for an amendment which would have raised the appropriation figure to the House authorization figure. I have been preceded by Members on this side and by Members on the other side of the aisle who have made a sound case for the program and for the



figure which was contained in the military part of the House authorization bill.

We did not follow their recommendations; and you supported the subcommittee views. Then when we had reached the end of the year some of the membership tried to carry this over. The military people came in and said: "We want to confess you gave us too much money. We had \$538,800,000 unobligated or reserved that is going to lapse. Will you not please reappropriate it?"

We did reappropriate it, doubtless in a weak moment.

The same type of story has been told these people year in and year out, but this year we caught them before they finally got in under the rule.

Mr. FORD. I think you will find there was a very great lag in obligations during the Korean war period and the post-Korean war period when we made money available that could not be obligated intelligently because our own forces had a prior claim on the equipment that was being produced.

Mr. PASSMAN. I shall not interrupt the gentleman again. I am speaking only of last year, just 12 months ago, when they had this money they could not obligate and they were conceding that as fact.

Mr. FORD. That was from funds made available 12 months prior to that. In those days our own military forces had priority over the equipment which was coming off the production line.

Let us take a look at the unexpended balance picture. This committee and the Congress as a whole for a number of years has condemned the Administration, whether Democratic or Republican, for large sums of unexpended balances on hand. This picture, as far as the Mutual Security program is concerned, has improved immeasurably in recent years.

Let us go back to the picture on June 30, 1957. At that time there was \$1,158,000,000 obligated but unexpended. On June 30, 1958, it was anticipated there would be only \$911 million unexpended with no unobligated balances, a draw down of \$147 million in this area in 12 months. It is anticipated that at the end of June, 1959, 12 months hence, the unexpended balance in this part of the program, the defense support portion, will be \$857 million providing the total of \$810 million is made available, again a draw down of some \$59 million. If you cut the new funds by \$110 million you find that the unexpended balance by next June 30 will be down to a total of about \$765 million, which is less than 12 months operating funds on hand to do the job.

People naturally inquire—I inquired myself—why there has to be a lead time of 12 months in these programs. You have to understand it is not buying things off the shelf; it is setting up a program in 12 countries throughout the world. All but one of the countries is either adjacent to or situated immediately off the shores of Communist dominated countries.

The only exception in the defense support program where a country is aided which is not adjacent to a Com-

munist dominated country is Spain. Certainly everybody understands the reason why at this time we are aiding Spain. We have three of our most essential overseas bases for the Strategic Air Command and our naval forces in Spain, bases for which we have invested for our own military effort well over \$250 million.

I would like to discuss just a bit more the situation in Spain. Two United States Air Force bases have been built in Spain over the last 3 or 4 years and we are completing a naval installation in Spain for use of our naval Air Force. In this fiscal year the active duty strength of those bases will go up to a force level of over 10,000, plus the American dependents who accompany their men in the service to Spain. The Strategic Air Command will use those bases for operations against any attack by the Soviet Union. Those bases are just as essential to our own protection as any other bases throughout the world. Now, with some 10,000 American servicemen stationed in Spain, with our forces operating there, it puts a tremendous pressure on the Spanish economy. That country has been hard hit by inflation because of this impact of our military operations. That country has been badly hurt by the loss of foreign exchange reserves, and the only way that we can insure a proper economic climate in Spain for us to continue our own military operations there is to help and assist Spain at this time. When you cut the defense support program as drastically as we in the House Committee on Appropriations have cut it, you are inevitably and invariably going to have a very serious impact on our own military operations in that area.

Now let us turn, if we can, to the Near East and south Asia, which is the next broad area where defense support funds go. In this area we have Greece, Iran, Pakistan, and Turkey. The total defense support program among these 4 countries is \$195 million. Unfortunately, the breakdown is classified.

However, I would like to discuss for a minute the situation in Turkey. Turkey is a member of NATO. Turkey is a member of the Baghdad Pact. I do not think there is a person in the House or in the other body who would indicate under any circumstances that Turkey is not one of our best allies. We all know they have something like 20 ground divisions. They have a growing and I think a much more effective air force. They have what naval forces they require for their part of this defense picture. Turkey actually wants to do more than what the NATO group and what we as a country think they can afford. Actually there is grave doubt that even with the defense support funds of \$810 million and the part that has been tentatively allocated to Turkey they can continue to support the 20 divisions that they have. I think it is a fact that the existence of the Turkish military forces, trained in part and equipped in part by us, was the real stabilizing influence in the Middle East during the crisis at the time of Suez. If Turkey had not been there staunch and steadfast with a good military or-

ganization, no one knows what might have happened in the Middle East when the Suez crisis arose.

Now, there is another aspect of the Turkish situation which sometimes we fail to appreciate. Because of its geographical position and because of its terrain there are locations in Turkey which make it possible, with technological developments by us, to observe by one means or another the results of the Soviet Union missile and satellite programs.

Up until recently that was not supposed to be a known operation, but the facts have been revealed, and I think it is important for us to think about doing anything that will result in the situation in Turkey becoming so critical that it could jeopardize our ability to man these stations which make it possible for the United States to observe, by one means or another, the success or failure of the Soviet satellite and missile programs.

Mr. MCGREGOR. Mr. Chairman, the gentleman from Michigan [Mr. FORD] is giving us some definite facts which I think should be heard by most of the Members. I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-eight Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 116]

Abbitt	Edmondson	Morris
Andersen,	Engle	Morrison
H. Carl	Farbsteln	Multer
Anfuso	Fascell	O'Neill
Ashmore	Fogarty	Pilcher
Barden	Fulton	Poage
Barrett	Garmatz	Powell
Bass, N. H.	Gordon	Radwan
Bass, Tenn.	Gray	Rains
Boland	Green, Pa.	Rhodes, Ariz.
Bolling	Gregory	Riehlman
Brooks, La.	Gubser	Rivers
Brownson	Gwinn	Robeson, Va.
Buckley	Halleck	Santangelo
Burdick	Harvey	Shelley
Byrne, Pa.	Hébert	Shuford
Celler	Holtzman	Smith, Miss.
Chamberlain	Jenkins	Spence
Christopher	Jones, Mo.	Steed
Clark	Kearney	Talle
Colmer	Kearns	Taylor
Cooley	Kilburn	Teague, Tex.
Corbett	Kirwan	Thompson,
Coudert	Knutson	La.
Dawson, Ill.	Latham	Thornberry
Dies	LeCompte	Trimble
Diggs	Loser	Vursell
Dollinger	Machrowicz	Watts
Dorn, N. Y.	Metcalf	Williams, N. Y.
Durham	Miller, N. Y.	Wilson, Calif.
Eberharter	Montoya	Zelenko

Accordingly the Committee rose; and the Speaking having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 13192, and finding itself without a quorum, he had directed the roll to be called, when 338 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. FORD. Just prior to the quorum call I had discussed the situation as far as Turkey is concerned on the defense



support item. I want to reemphasize two things: One, that our aid and assistance both from the point of view of training and equipment to Turkey, because of Turkey's strategic importance as a member of NATO and of the Baghdad pact is one of the best investments we make in this whole program.

Secondly, may I reiterate the fact that our own forces have certain equipment in Turkey which is invaluable for us, so that we as a country can know to the best of our ability the status on a current basis of the Soviet Union missile and satellite programs. Because of the terrain and the geography we are able from these facilities in Turkey to detect and track the firings of the various missiles by the Soviet Union. Supposing for one reason or another, including the inability of the Turkish Government to keep itself stable, we lost the ability to have those facilities. As far as I know there is no other means currently by which we, the United States of America, could keep tab on the missile program in the Soviet Union.

Under these circumstances I do not think we can afford to let the situation in Turkey deteriorate. I do not want to take that gamble; I can assure you of that; and the defense support item is an important element in making certain that Turkey is able to take care of both its economic stability and its military strength.

Now, may I turn to the Far East? Our defense support programs in that area to a lesser degree include Cambodia, Laos, and Thailand, and to a more substantial degree Formosa, Korea, the Philippines, and Vietnam. I admit that in some areas in this part of the world our program has had some difficulties, but I do not think that those difficulties of the past should preclude us from proceeding with what is right in the future.

May I take one example, and this involves South Korea, to prove how reductions in the defense program have had an adverse impact, I believe, on the current situation. May I follow that with a comment to the effect that further reductions in fiscal 1959 in the defense-support program could conceivably and probably will have an adverse effect in the Korean situation?

Let us refresh our memories just a minute. Back in 1948, 1949, and 1950, prior to the Korean war, we allegedly had military forces in South Korea. We finally withdrew them for various reasons. I do not want to get into that, but that is a fact. Because our support to South Korea was not adequate, because we withdrew our own forces, it is true that the Communists took the initiative. At that time South Korea did not have a single military force, a single ground division, that was a fighting unit with a combat effectiveness. With the advent of the Korean war we, in conjunction with the South Koreans, built up from nothing an army that today is the third largest army in the world. From no divisions we now have in South Korea a staunch ally with 20 army divisions, 1 marine division, and I believe 6 reserve divisions. South Korea is a coun-

try of 22 million people, with an economy that was devastated by the Korean war. But they are willing to make a fight, a valiant effort, to support 21 active ground divisions under those circumstances, but to do so they need our help.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. Mr. Chairman, we have contributed substantial sums, both in military assistance and in the defense support program to South Korea. But because the Congress made some reductions last year in the defense support program and some reduction in the military assistance part of the program, it was thought wise under the circumstances and essential to make some cut back in the availability of funds for South Korea.

What has been the net result from forces in the field? The facts are that South Korea is reducing its forces from 20 divisions in the Army to 17. Every military officer with whom I have talked says that is a very reckless gamble, particularly in light of the fact that the United States ground forces in South Korea have been reduced from 5 down to 2. Now, if we make the reductions which are included in this bill in the defense support program, it is inevitable—it cannot be avoided—that South Korea will have to make further reductions in its ground forces from 17 Army and 1 Marine Corps down to 15 or 14, plus the 1 Marine Corps division.

It cannot be avoided, because the economy of South Korea cannot maintain forces to a larger extent, bearing in mind their problems resulting from the devastation wreaked upon their homeland during the Korean war.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. The gentleman has had a good deal of military experience. What does the gentleman think might happen to the morale of the remaining divisions if the Koreans see their forces being reduced each year by cuts in the assistance from us which is absolutely necessary to keep them going?

Mr. FORD. Well, if I were in their shoes and saw my own forces reduced, as inevitably they will have to if these cuts go through, and at the same time see the United States forces drawn back, then certainly they cannot expect to have the morale essential to meet head on on a front some 200 miles from east to west on the Korean peninsula.

Mr. JUDD. If there were evidence of a reduction in the strength of the forces facing them across their northern border or any shortening of that line they have to defend, then it would not be such a serious matter, but the Communist forces across the armistice line are much stronger and that line which they must defend is still about 155 miles long.

Mr. FORD. The North Koreans and the Chinese Communists have violated the armistice provisions. They have built airfields, moved in more modern

equipment. They have increased the size of their forces. The net result is that the Communist forces north of the armistice line are infinitely stronger than at the time of the armistice, and in addition our forces have been reduced numerically. Within the last 6 or 8 months have we said the situation cannot be tolerated, and we have moved into the forces modern weapons which are essential if we are to make a successful effort of defending that area under the circumstances.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a point of clarification?

Mr. FORD. I yield.

Mr. PASSMAN. The gentleman realizes, I am sure, that this House last year in its bill really appropriated only \$689 million for this particular phase of the program. There was also, however, a \$36 million item; and another of \$25 million was to pay for a bribe in a certain country, and I should not like to go into details—and shall not unless forced to do so.

But, let me add here that the gentleman would lead the membership to believe—not purposely—that we then reduced the program too drastically.

Under the legislation we are considering \$1,610,688,000 is recommended for defense support; and the gentleman knows that many of the details are secret, and we are not privileged, therefore, to make certain observations the membership should know about. The spending goes into the hundreds of millions.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. FORD. Would the chairman of the subcommittee yield me 5 additional minutes?

Mr. PASSMAN. I yield 1 minute, but if you have no further time available over there, certainly I will yield 5 minutes.

Mr. FORD. The gentleman has interrupted, and I gladly yielded to him.

Mr. PASSMAN. Yes, I am pleased to yield 5 minutes, but I should also like to ask 1 or 2 questions.

Mr. FORD. Well, as the gentleman from Louisiana knows, last year we did make a reduction in the defense support program. The total made available, including reappropriations, was \$789 million. As I recall the precise figure, it was about \$150 million or thereabouts less than what the total request for funds was.

Mr. PASSMAN. Seven hundred and twenty-five million dollars, I believe, is the correct figure.

Mr. FORD. That was on the basis of the original request. But, when you get to the figure of \$789 million, you are talking about reappropriations.

Mr. PASSMAN. Six hundred and eighty-nine million dollars plus reappropriations.

Mr. FORD. The point I want to make is that because of the reduction made by the Congress, the allocation made to South Korea was reduced, and as a consequence of that reduction the forces, the land forces, in South Korea had to



be decreased because the South Korean Government could not maintain its economy to support forces to the extent of 21 ground divisions.

Mr. PASSMAN. Is it not true that in Korea there are military assistance and defense support programs, and they are now in the Development Loan, and they could also be under special assistance and under technical cooperation? Put them all together, and the total amount that is going to Korea would frighten the membership—if we were privileged to inform them as to the facts.

It is all right to make an argument about what we are not doing, but I wonder if we may not deal with the actual figures instead of a lot of generalities? We should let the people know that in the particular bill we are discussing, there is going to be available \$8,278,084,500 for the total program; that you actually have in defense support \$1,610,688,000, and that this amount is limited to 12 nations.

Let us get right down to realities, rather than generalities. If the gentleman wishes time to tell the Members what some of the nations are receiving out of this defense support program, I should like to have him do so.

Mr. FORD. Mr. Chairman, I would like to reemphasize that this money in the defense support program does go to 12 nations; and they are 12 staunch and steadfast allies of this country. Those countries have military forces in the number of over 3 million under arms. As I say, these 12 countries have over 3 million men under arms and they are allied and allied with us. If you riddle the defense support program you are absolutely undercutting the ability of these countries to support those forces. I, for one, am not willing to do anything that would make it more difficult for them to stand by our side on this perimeter surrounding the Soviet Union. I do not think we should gamble to reduce the South Korean forces so that our two United States divisions in South Korea will be put in jeopardy. I do not think we should jeopardize our position in Turkey, so that we might conceivably lose the availability of a location which permits us to know what is going on in the Soviet missile program.

I do not think we ought to jeopardize our position in Formosa where we have a strong position on the periphery of Red China.

Mr. PASSMAN. I am in complete accord with the gentleman's views in this regard. Now, will the gentleman yield?

Mr. FORD. In just a minute. We absolutely need the 600,000 or 700,000 Formosan forces to help us protect our flank in that area. We have forces on Okinawa, which is an island more or less adjacent to Formosa. If we lose Formosa, that base where we have spent billions and where we have forces on hand, would be put in jeopardy.

Mr. PASSMAN. Will the gentleman yield?

Mr. FORD. I yield.

Mr. PASSMAN. If the membership will turn to page 186 of the hearings they will find that this program has no connection with the military assistance.

It is strictly economic aid. And I say to the distinguished gentleman from Michigan that a great part of this money is going for poorly planned, poorly engineered projects—flood control, reclamation, rivers and harbors, bridges across bayous, and such as that. These projects are started and they are stopped. If you will read page 186 of the hearings you will certainly understand that we are starting all types of projects without consideration of any cost-benefit ratio, or proper engineering data, if any at all.

If you will turn to page 186 of the hearings, and if you find that the record does not fortify my position, I shall apologize.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman.

Mr. WIGGLESWORTH. Mr. Chairman, I am amazed that the distinguished chairman of our subcommittee should again take the position that this is economic aid. It is economic aid in character, but, of course, it is 100 percent for military purposes. And it goes only to those countries where we are trying to support essential military forces.

Is it not also a fact that as far as this defense support item is concerned, regardless of the figures that have just been scattered around the ceiling here, there was no unobligated balance in June 1957 or in June 1958, and that the pipeline is less than 12 months?

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I should like to ask the gentleman where we are going to get the money to do this, when we are in the red this year two or three billion dollars. We are spending more money than we are taking in. I should like to have somebody tell me how we can meet our bills when we are spending more than we are taking in. Next year they claim we will be in the red \$9 billion and will have to raise the debt limit to \$290 billion. Somebody must give the answer to the question, Where are you going to get the money? Are you going to take it from us and give it to the Koreans, or take care of us first?

Mr. FORD. I think if the gentleman will look at the figures he will find that South Korea and these other countries I have mentioned have done a very commendable job in contributing their share in substance and in personnel. They are doing as well as we. Bear in mind particularly in Korea the devastation which was wrought on their homeland by the battles that raged for a period of some 4½ years.

Let me say this, if I may: I am as anxious to have a balanced budget as the gentleman from Massachusetts. I think if you will look at my votes on appropriations and authorizing legislation over a period of time my record on economy would compare rather favorably, not perhaps as well as the gentleman from Massachusetts. I do not like the possibility of a deficit, but I see a greater danger, a danger which in 1

fiscal year, if we should have an all-out war, would be infinitely worse than the deficits which we have had in fiscal 1958 and which we will have in 1959. We will not only have fiscal chaos but conceivably we could have bloodshed on the shores of the United States and elsewhere, which I do not want to see under any circumstances.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I say to the distinguished chairman that I do not know how much he has done in the field, but in many of these countries which you go to when you actually see these projects in existence you realize it would be impossible otherwise for many of those countries to support their own armies. That is exactly what is being done under this project. Unless you have this support assistance directly going into these projects, which makes the economies of these countries able to support their armies, they will not be able to support themselves. I have seen some of these projects actually in existence, and as far as I could see, as I was able to observe the projects that were being promoted, they were projects such as greater food production or the betterment of some other phase of the economy which strengthened the economies of those countries to the point where they were actually able to support an army or navy in being. I think that is the purpose of this appropriation, as I understand it, and that is what the money has been spent for.

Mr. FORD. That is correct.

Let me reiterate: Because of what appears to me to be the necessity for adequate funds in the defense support program, I will offer tomorrow an amendment to restore the figure to \$775 million, which was an amendment offered in the full committee by the gentleman from New York [Mr. ROONEY]. I think it is essential, it is vital, that such a restoration be made.

Mr. Chairman, I thank the Committee for its indulgence.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute.

The question is whether we are going to consider this bill on the basis of facts and figures or on the basis of fiction generalities, excitement, and various kinds of pressures that prevail.

I want to refer my distinguished friend, the gentleman from Massachusetts, to pages 186 and 187 of the hearings, to read this exchange:

Mr. MURPHY. All right. I see nothing objectionable in financing any of those items.

Mr. PASSMAN. In other words, defense support is actually economic aid?

Mr. MURPHY. Definitely.

This item provides for some of the most unsound projects ever conceived by the mind of man. It includes projects started without any engineering data or other information to establish that they have a favorable benefits-to-costs ratio. The record is clear that we are doing some foolish things abroad.

Mr. GARY. Mr. Chairman, will the gentleman yield?



Mr. PASSMAN. I yield.

Mr. GARY. Is it not true of one of the countries to which we are contributing economic aid or defense support that during the last 3 years we have contributed more money to that country than was raised by that country from their own taxpayers?

Mr. PASSMAN. That is an accurate statement. As I have said before, Mr. Chairman, if the membership of the House were to go home and read the hearings from cover to cover, there would be a motion not to appropriate a dime until a complete investigation could be made. Let us get away from the pressures now and get down to the facts and figures. Let us get away from the generalities.

I am not fighting the program. I am fighting against giving the bureaucrats all the money they want—to waste, in huge sums, throughout the world. We must have a sensible program or we will bring this country to its knees economically. Remember, Mr. Eisenhower has had \$118 billion more than the Truman administration had in 5 years, yet the public debt is up by \$9 billion, and no doubt it is going up further every day.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, I think with very commendable zeal, the chairman of this committee for whom I have a very high regard has brought out the efforts of the subcommittee and the full Committee on Appropriations to economize in every possible way because of the importance of the budgetary situation. Perhaps, in his zeal, he has gone so far as to make members of the committee wonder why we are putting \$3 billion into this program, the less successful features of which have been so featured in the discussion up to this time. I think if we pause for a minute to review the overall situation, which I know is perfectly well known to almost everyone in this Chamber, it might be worthwhile to approach this most important measure in the proper perspective. This mutual security program has been generally acclaimed as successful. I was not one of the original sponsors of the program, the Marshall plan or any of the other plans. But, I have not found a responsible military figure anywhere in our Government who has served the Government in recent years in this field who has not maintained that the mutual-security policy has been essential in preserving the peace of the world and that it has been for our own self-interest and national benefit. I do not know of any responsible military leader who has ever said that we should abandon the program. The program has been very carefully reviewed by the legislative committee. Certain rather substantial cuts have been made in the authorization over the request of the administration. The question before us today is what should we appropriate at this time. As I understand it the questions of policy and international relations are not the responsibility of the committee or the subcommittee on which I serve, but are

the responsibility of the Congress and the policy has been determined.

Our responsibility is to see that the program is properly implemented. My concern is that we may have crippled what is to me the most important part of this program; our own self-interest, our own national defense, and the defense of the free world. No one has ever questioned, as I say, the military importance of sustaining the four or five million friendly troops that are manning the line around the free world. That is essential to our overall safety. The generals who have served in NATO including General Gruenther, General Norstadt, and our own President, agree that it is essential. We do not have the manpower in this country to man that line. We have only about 6 percent of the population of the world. We have neither the money nor the manpower to man it ourselves. In my opinion the military part of this program includes defense support, economic aid though it may be. It clearly comes under defense needs. Of course the surgeon who goes out into the field to help the wounded is not fighting, but it is military service. If we reduce the food and clothing and weapons in the hands of those nations that are already sacrificing more than they can afford, it is as important from a military standpoint as if we were handing them guns and ammunition. The fact of the matter is that we have cut in this bill the critical items to an alarming extent. For modern weapons and purely military items it is \$285 million below the budget request and \$90 million below the authorization. But I am not going to belabor that point except to say that we certainly have been very careful in cutting down on very important items, where there is lead time of at least 18 months. The principal part of these funds is to supply those men of other nations who are standing side by side with our people manning the lines with weapons that they cannot provide for themselves. I cannot imagine a better investment in defense support, as has been so ably pointed out by my colleagues on the committee, the gentleman from Massachusetts [Mr. WIGGLESWORTH], the gentleman from Michigan [Mr. FORD], we are cutting dangerously deep. The budget estimate was \$835 million and the authorization was \$810 million, and we have slashed that to \$700 million, in a field that is just as important, in my opinion, for our own national safety and our welfare as having our own troops properly armed and equipped. To me that is a dangerous cut. I hope we can restore some of it, because, as has been pointed out, the economy of those countries is crippled by having so large a percentage of their population in the military and productive age standing guard and not able to produce the things they need at home. There is nothing more unproductive than a man on guard duty until he is needed to shoot at somebody. But there is nothing more important for the safety of the world today than to have those people there. We cannot place them there ourselves, or keep our own people there at a much greater expense. Remember that in Korea the

average cost of one man is \$302. How many of them can we supply? Nor do we pay the entire \$302. We pay only about one-third of the cost, whereas every American soldier we keep in line costs many times that amount.

There is another item I think we have pared too closely, and I am at a loss to understand why we have done it, because in my opinion it will not really affect our national debt unless it should become most important. That is the contingency fund which the President asks for in the sum of \$200 million. We have cut it in half. This measure reduces it \$55 million below the authorization. Need for that money has been criticized because over a period of 3 years not more than \$8 million or \$10 million was spent from a similar fund.

This matter is entirely too important to be put upon a purely personal or selfish basis. If the President of the United States, regardless of who he is, is to meet any emergency and be prepared against the unforeseen he must have tools with which to do the job. I for one am proud that our President is so well informed and has such a level head, but regardless of who is President of the United States, it is unfair to expect him to perform a job yet refuse to give him the tools necessary to do it, I certainly hope this committee in its wisdom will restore the contingency fund. It will not cost the taxpayers anything unless the President feels it in the national interest to use it; and, frankly, when our President feels it is in the national interest and important to use it, I do not want to be one to have denied it to him.

There has been a great deal of emphasis on shortcomings and the delays that have been alluded to, and the secrecy required regarding certain details. The impression has gotten around that there is a great deal of skulduggery. That is not a fair implication. War is an ugly business at best. Even a cold war is just as ugly as a shooting war, perhaps in some cases worse, and it may be that there are seamy sides to parts of it that may not meet the standards of our most intellectually enlightened and moral people, but when one is fighting for survival there are times when he must get help where one can find it. I would rather spend a little money than to be accused later on because someone was not enlisted on our side because we did not use means that might be criticized as not the most desirable approach. Countries vary in their standards and codes of official and personal conduct. Some of their codes are very different from ours, and allowances have to be made. In any desperate fight one can ill afford to inquire about some of the acts of associates so long as they are shooting at the same enemy, and I think that is one of the things we must consider.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I shall be glad to yield after I have made just one more point.

The remaining point upon which I would like to touch is the Development Loan Fund. There has been a great deal of discussion pro and con as to whether it is better to grant people outright gifts



or to make them loans, even though the loans are not the hard kind that we would like to make through banking institutions. It has been debated both ways, that soft currency is worse than no currency at all; also that a person's self-respect is better maintained even if you know he may not be able to pay, to make a business loan rather than to make a gift. We have been criticized both ways, but remember, the policy has been determined by the Congress.

It is perfectly ridiculous to have a policy to set up a Development Loan Fund and then not provide the funds that can be used intelligently over a period of less than 6 months. There is a great deal of misunderstanding and I believe unfair criticism of the development-loan program because those responsible have not been throwing the money around promiscuously. Most of the money is still in the Treasury. Do not be confused about that. This agency started out with 10 people. It has been going 6 months. They have tried to be careful and to use sound judgment and take the best loans they can get. They assured us they will need to run the operations on the scale at which they are going at the present time, a minimum of \$600 million.

We have cut the authorization. The request has been reduced by the Congress. Then this bill cuts it more than half, like the President's contingency fund. It seems to me that instead of acting as an appropriations committee in these respects we are nullifying legislation, the express will of the House as it has been determined over a period of years.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. If the gentleman will yield me a minute, I will answer him.

Mr. PASSMAN. Yes, I yield the gentleman 1 minute. Is it not true that year after year the administrators came in and said, "Yes, you gave us too much money." Even this year when we asked Mr. Sprague if we did not help the program by putting some sense into it, the gentleman replied: "The reduction that the Congress has effectuated in the program has assisted the executive branch in administering the program in a more efficient manner. There is no question about that, Mr. Chairman."

If you gentlemen would go back to the CONGRESSIONAL RECORD for the past 5 years you would read the same type of story year after year. I submit that the gentleman, in taking the position which he does, is not fortified with the facts of the RECORD.

Mr. MILLER of Maryland. Mr. Chairman, I fully agree the gentleman's statement for the RECORD is correct. And why? When we had this year the benefit of the most forthright and straightforward presentations from the key officials that we ever had before, why should they be punished because of mistakes of the past? The same witnesses have said that the cuts we are presumably making at this time will cripple the program. I would rather pay respect to

the witness who came in and did not use the money and said we could have gotten along with less. I would rather be in that boat than where we were when sputnik hit the sky and we were criticized for not having enough money in the missile program.

Mr. PASSMAN. The presentations this year were without doubt the most unsatisfactory, the most inaccurate, the most confusing ever heard by this subcommittee. If the gentleman will read the hearings between now and possibly when the bill goes to the Senate he will know more of the facts. I could not stand up and say the presentations this year were the best ever made. I am afraid the gentleman is slightly confused, because the record reveals them as about the most unsatisfactory that have ever been presented to an intelligent subcommittee of the Congress.

Mr. MILLER of Maryland. I am interested in the gentleman's comments because I heard him on 2 or 3 occasions in the committee compliment the witnesses. I thought the chairman would agree that while he did not like the way the problem was presented, it had been better presented this year than last.

Mr. PASSMAN. The gentleman would be embarrassed if his constituents ever read the RECORD.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from New York.

Mr. TABER. I am wondering, if the hearings were so bad how the chairman of the subcommittee let them stay that way?

Mr. PASSMAN. I would be pleased to receive an opportunity to answer the question.

Mr. TABER. Why did he not correct that situation?

Mr. MILLER of Maryland. I would rather the chairman use his own time, of which he has considerable. I would like to yield to my friend, the gentleman from Iowa.

Mr. PASSMAN. The gentleman is not going to permit me an opportunity to answer the accusation advanced a moment ago?

Mr. MILLER of Maryland. The people on my side want some time. The gentleman has plenty of time and he should answer the gentleman on his own time or give me another 5 minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Iowa.

Mr. GROSS. I want to say this, that I have read the hearings only in the last 2 or 3 days, so they are fairly fresh in my mind. And, in reading the hearings I find that when the subcommittee backed the witnesses in the corner, it was the same old story of "It was unfortunate that this happened; we are sorry that this happened, but it did happen." There has been waste, corruption, and racketeering all over the world in these funds, and the gentleman knows it.

Mr. MILLER of Maryland. I am prepared to concede that there is waste in

any program, no matter who runs it, the size of this. But, will not the gentleman concede the fact that the record built up by this committee has been largely aimed at finding the faults and weaknesses of the program, and that there is very little in the hearings to indicate the good things that have been done?

Mr. GROSS. There are so few good things that have been done, in my estimation, after reading the hearings.

Mr. MILLER of Maryland. If, as a judge, you wished to hear from both sides, there might have been questions that you wanted to ask that are not even in the hearings.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Indiana.

Mr. DENTON. Is it not a fact that we asked them over and over again to tell us, please, some of the good things they had done, especially under point 4 and some of the other programs that we wanted to find out about, and why they did not put their best foot forward, and they refused to do it over and over again.

Mr. MILLER of Maryland. I know it was difficult at times getting the facts, but I do disagree that it was the worst hearings I ever heard.

Mr. WIGGLESWORTH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM of Iowa. I wish to thank the gentleman for his wonderful presentation and ask him just one simple question. Regardless of the hearings, is this any time to toy with the security of America?

Mr. MILLER of Maryland. I feel definitely it is not. I think if we err on either side, we should err on the side of safety and our own self-interest. I do not look upon this as giving anybody anything. The only gift that I see in any of this program is the thought that we are doing something for America first.

Mr. CUNNINGHAM of Iowa. I thank the gentleman.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Virginia.

Mr. GARY. I would like to ask the gentleman if the appropriation of new money in the sum of \$3,078,000,000 would be considered by him as toying with the security of America.

Mr. MILLER of Maryland. I would certainly not think any sum as colossal as that is toying with anything, but, on the other hand, with the gravity of the world situation, this matter must be considered in its proper perspective. I have lived through two wars where too little and too late was a very costly factor, and



perhaps I would err on the side of having a little bit too much rather than a little bit too little where wars are involved.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman.

Mr. WIGGLESWORTH. The amount mentioned by the gentleman from Virginia [Mr. GARY] is just about 10 percent of what we put up for our own military purposes and it imposes on each American the burden of just under 7 cents each day.

Mr. MILLER of Maryland. Our whole budget, everything, has become so large that, compared with some of the recent cost increases, this is not a large sum of money, or, I regret to say, compared with what 1 day of war would cost us if we got into either a brushfire war or an atomic war.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman.

Mr. PASSMAN. Let us be sure that we understand that we have 3 foreign-aid programs being brought in by 3 separate committees. The total you have here for foreign aid will exceed \$8 billion, or approximately 12 percent of all appropriations that Congress will make for this fiscal year.

Mr. MILLER of Maryland. Of course, I do not quite agree with what the gentleman calls foreign aid and what he does not call foreign aid.

Mr. TABER. If the gentleman will yield, the facts are that would be the total amount unexpended. It would not be the amount that would be used in 1 year.

Mr. PASSMAN. I am sorry, but the gentleman is mistaken.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

Mr. MILLER of Maryland. If the gentleman from Louisiana will yield me 1 minute, I should like to answer.

Mr. PASSMAN. If the gentleman from New York would yield the gentleman from Maryland another minute, I think I could save all of you some embarrassment.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. MILLER] has expired.

Mr. PASSMAN. Mr. Chairman, I yield 3 minutes to our distinguished colleague, the gentleman from Ohio [Mr. FEIGHAN].

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, I want to elicit some information with reference to assistance given to the Communist Dictator Tito. Many of the Members who were here in 1956 will recall that in the hearings before the Committee on Foreign Affairs it was stated by Mr. E. Perkins McGuire, Deputy Assistant Secretary for International Security Affairs, Department of Defense, that previous to March of 1956, there was no inspection permitted by Tito of assistance in any form that was given by the United States to Communist Dictator Tito. Then in

1956, if you will recall, the Mutual Security Act, section 142, subsection 10 thereof was amended so that it was mandatory that before any additional United States assistance could be given to Yugoslavia there should be permitted by the Yugoslav Government a complete inspection, including continuous review of the utilization, the end use of all items given by the United States.

I would like to inquire, in view of that situation, whether the Committee on Appropriations has been presented with information with reference to a complete inspection of the utilization or end use of our assistance to the Communist Dictator Tito, and whether the committee are satisfied that that assistance has not been used in a way detrimental to the United States, or if we were just handing it over to Tito in violation of subsection 10 of section 142 of the Mutual Security Act.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. FEIGHAN. I am glad to yield.

Mr. FORD. It is my understanding that within the last 3 or 4 months Yugoslavia has called a halt on its part as far as any military assistance is concerned.

Mr. FEIGHAN. That is correct, but would you go to my question? My question is, Has the committee been supplied with a report of inspection of the utilization, the end use of this material that has been given to Tito as required by law?

Mr. FORD. It is my understanding that following—

Mr. FEIGHAN. Is it the gentleman's understanding, or was that information presented to his committee so that he or the committee can assure the Members of Congress that the provisions of section 142, subsection 10 of the Mutual Security Act making it mandatory that a complete inspection of the utilization or end use of the United States assistance be provided by United States representatives and a report made thereon has been complied with? I would like that answered.

Mr. FORD. Following the enactment of the provision, the situation was clarified and our military advisory group did have the opportunity to make such inspection.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PASSMAN. Mr. Chairman, I yield the gentleman 1 additional minute and ask, please, that the gentleman yield to me.

Mr. FEIGHAN. I yield.

Mr. PASSMAN. There have been many defections from the program. I think the gentleman should know that Yugoslavia asked that we discontinue the aid.

Mr. FEIGHAN. Did not Yugoslavia say they did not want military aid any more? The record is clear that as soon as Congress, by law, insisted on the right to inspection of all end-item use in Yugoslavia, the Communist dictator, Tito, immediately cooled off toward receiving further United States military aid because he knew that his activities within Yugoslavia, including the use of equipment we supplied to him, would not stand honest and full inspection.

Mr. PASSMAN. Yugoslavia asked to be cut off, and we cut them off. The Dominicans have voted to end further aid. Portugal said, "You are upsetting our people and our economy. Please get out of our country with your program." So there is no program there. The Sudan adjourned their Congress hurriedly because they voted to kick us out of the country. I might note also that Cambodia has invaded Vietnam, using the equipment we provided.

Mr. FEIGHAN. What the gentleman has said is an observation that is ex post facto, as to the time when the assistance was delivered. The question I asked is being begged, it is not being answered, and I think the Members of the Congress are entitled to know whether the provisions of the law have been complied with.

Mr. FORD. Will the gentleman let me conclude what I started to say?

Mr. FEIGHAN. Yes.

Mr. FORD. Following the enactment of that provision the situation was improved to the extent we could, through our military advisory group, inspect the end use of this equipment which was furnished, but now that the aid has been withdrawn at the request of Yugoslavia our military advisory group either has or is about to leave the country, because we are no longer supplying the equipment for that purpose; so that under those circumstances there is no further ability to make an end-use check.

Mr. FEIGHAN. My question relates to what has already been given them, not what may be given them in the future.

Mr. PASSMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PASSMAN. Mr. Chairman, there is some danger here of there being a picnic. They are having a picnic outside. I notice the Members are going out rapidly over on the other side. If there is any danger of that, I think the membership should be informed.

The CHAIRMAN. The gentleman does not state a parliamentary inquiry.

Mr. FORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 117]

Andersen,	Dies	Jenkins
Minn.	Diggs	Johansen,
Anfuso	Dorn, N. Y.	Mich.
Barden	Durham	Jones, Mo.
Barrett	Eberharter	Kearney
Bass, N. H.	Edmondson	Kearns
Bass, Tenn.	Engle-	Kilburn
Belcher	Farbstein	Kirwan
Boland, Mass.	Friedel	Kluczynski
Brooks, La.	Fulton	Knutson
Brownson	Garmatz	LeCompte
Buckley	Gordon	Loser
Burdick	Green, Pa.	Macdonald
Byrne, Pa.	Gregory	Machrowicz
Celler	Gubser	Mack, Ill.
Christopher	Gwinn	Magnuson
Clark	Halleck	Mason
Colmer.	Harvey	May
Cooley	Hays, Ark.	Miller, N. Y.
Corbett	Hébert	Montoya
Dawson, Ill.	Holtzman	Morris



Morrison	Robeson, Va.	Thornberry
O'Neill	Saund	Trimble
Patman	Shelley	Udall
Pilcher	Shuford	Vursell
Poage	Smith, Miss.	Watts
Powell	Spence	Wharton
Radwan	Steed	Williams, N. Y.
Rains	Talle	Wilson, Calif.
Rhodes, Ariz.	Taylor	Zelenko
Riehlman	Teague, Tex.	
Rivers	Thompson, La.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 13192, and finding itself without a quorum, he had directed the roll to be called, when 332 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, this is the most amazing exercise I have seen in 20 years of service in this House, this attempt to give this vast and important program, so badly crippled by cuts, the bum's rush in half a day; and I am most happy to learn that this plan has now been abandoned.

Mr. Chairman, I have a great interest in this program because our own committee just ended the consideration of it a few days ago. Since I was so familiar with it, I looked with great interest at the Appropriations Committee report to see the reasoning, the explanation, for the terrific cuts of \$579.5 million from the ceiling established by Congress only at the end of last week. I was unable to find that information in the report. So I listened with fascinated interest for over an hour to the chairman of the committee, the gentleman from Louisiana, hoping that I would hear from him a description of how these specific cuts were justified. I not only did not hear this but I did not hear from him any reason why any such program at all was justified. Instead of hearing any justification for the \$3,078,000,000 brought in by his committee, I heard a general attack on the whole program, winding up with some splendid bits of poetry and a plea. The gentleman said "After 4 years of service as chairman of this subcommittee I plead with you to follow me." He urged that course instead of supporting what he called the inflated program approved by underlings and bureaucrats. He had a funny story about how the President did not know about it; nobody knew about it, until you got down to Johnny Murphy earlier, and he referred to the pressure to accept blanket approval of the work of thousands of bureaucrats to keep the program excessive.

Now, I resent that.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. VORYS. No; I do not yield to the gentleman. My time is limited. I listened to him for over an hour, and he has over an hour of time in which he can ask me questions, and I will be glad to

answer. But, it is going to be on his time and not on mine.

Mr. PASSMAN. I asked the question because the gentleman mentioned my name.

Mr. VORYS. Mr. Chairman, I decline to yield now. I will yield copiously to the gentleman later if he wishes to take his own time and interrogate me on the floor.

Our Foreign Affairs Committee went all over this program, and I find, in checking with Appropriations Committee members, looking at those hearings, and checking with the staffs of both committees, that both committees had exactly the same information. As a matter of fact, our committee had more information, and we did not take this from any underlings or bureaucrats. And this House by an overwhelming vote last Friday approved a conference report that is \$597.5 million higher than the total this committee brought in, and this House was not following a bunch of underlings and bureaucrats when they arrived at that conclusion. Of course, what we were doing in the legislative act, the authorization, was fixing the ceiling amount, the upward limits, for the appropriation. But our studies made us fully familiar with the needs for these programs, and those needs have not been met by this program that comes in over half a billion dollars below, not what some bureaucrat or some underling dictated, but what this House approved only a few days ago.

I understand, however, the gentleman's difficult task, an almost impossible task. He and all but one of his State delegation are against mutual security as a policy, and they voted against it this year and last year, and then he is put in the position of implementing a policy that he opposes. He quoted to us a poem about being a "builder or a wrecker." I can understand his psychological problem in voting to wreck the whole thing last month, the whole policy, and then being asked to participate, to lead, in building it. No wonder his building operation looks partially wrecked. My position is different. Last week, for the 11th time, we concluded action on a mutual-security, a foreign-aid authorization bill. And for the eleventh time I had acted as sort of general ringmaster and wet nurse in the House for the Republican side of it. I was and am for the policies even though, as he said about himself, I can say about myself, my reward has been harsh criticism at times. I have helped to cut this program when it was swollen during the Fair Deal years, when the unexpended balances ran up to \$8 billion or \$10 billion. But not now, when, as has been explained so ably today, we are cutting into the necessary part of it when we cut into these unexpended balances.

Our Foreign Affairs Committee made an examination of the status of unexpended balances, the pipeline, in other programs, agriculture, defense, and others, and we found that this one compares favorably with other Government programs and in most cases is considerably better. So let us quit this business,

now that it is cut down to the bone, of attempting to live forever on these unexpended balances.

The gentleman said that due to this foreign aid program living standards have been reduced 16 percent in this country. Why, bless you, during the decade that these programs have been going on, we have had the highest standard of living, the greatest prosperity of any country in all the world in all of human history. I do not claim that this program accounts for it except in this way, that during this decade, in spite of the deadly danger of a third war, we have avoided a third war. Europe has recovered, Japan and Germany have recovered and are now powerful nations on either flank of the Soviets. We have had a period when we have had some failures, some disappointments, but we have peace. It is an uneasy kind of peace and it can only be maintained by the sacrifices involved in this program. But I am proud of the part that I have contributed and when somebody gets up here and makes a personal plea that you should follow him on this, then I will follow that with a personal plea that maybe you ought to follow me on this, because I was at it years before he got in the business at all, and I have long supported the basic policies he has long opposed.

The gentleman mentioned that military equipment is 92 percent available and ready for use. I am familiar with military equipment in a couple of wars and during this program and some overseas inspections and if any place in the world military equipment is 92 percent available and ready for use at any one time that is a perfectly wonderful record, because usually it is either on order or being shipped or being repaired or being maintained. So that is not a criticism, that is something to boast about.

The gentleman criticizes the phrase "defense support." He says that that is something defined up the street, some place, for some sort of underhand reason. Bless you, that defense support definition grew out of our Committee on Foreign Affairs.

So as to make it clearer just what we mean by it we changed it a bit this year and we make it very clear that defense support is economic aid and nothing but economic aid, but furnished for a military purpose, furnished of the purpose of maintaining forces in being that countries are ready and willing to raise but cannot maintain with their own economic efforts. On this matter of defense support he has criticized his own hearings, and stated they were miserable and unsatisfactory. I made a hasty study of the 1566 pages, and here is just a sample. On defense support, remember 70 percent of it goes to 4 countries: Korea, Turkey, Taiwan—Formosa—and Vietnam. Looking over the hearings indicates consideration by the committee on all phases of this program, including defense support, as follows: Laos, 30 pages; Formosa, 8 pages; Korea, the largest recipient of defense support, 6 pages; and Vietnam, 3 pages. Turkey is not



listed in the index and I cannot find anything about it.

I appreciate, of course, that much of the information in these hearings is off the record. As far as our committee was concerned, we had present, here on the House floor, and I guess they have here today, the secret books, the secret testimony, on which the programs were based, so that that is available to all of you. I can see why, however, if that is the proportion of those vast hearings given to defense support, it was cut murderously \$135 million.

Laos is still getting a lot of attention, although the situation was cleared up some time ago.

In the Washington Daily News of Monday, June 30, appears a column by Mr. Fred Othman, entitled "Locations of Headaches," wherein he cites testimony before the Foreign Operations House Appropriations Subcommittee, regarding the aid program in Laos. The testimony cited was made on April 29. It relates to charges that pharmaceuticals were being sold at exorbitant prices in some instances and that in other cases they were being diverted to neighboring countries and sold for huge profits. It alleges that still other quantities of medicine were deteriorating in storage. The article also reports misrepresenting the cost of importing water pumps, gourmet powder, and knitting machines, implying that this had resulted in an equivalent amount of extra profit to the importer. It also refers to United States aid operations on the basis of the official rate of 35 kips to the dollar whereas in the open market the rate is 1 United States dollar to 100 kips.

The column implies that ICA, through its witness, Mr. Murphy, the ICA controller, did not answer these charges and seems to imply that there could be no reasonable answer to the charges.

The aid program to Laos has been intensively scrutinized by several congressional committees including our Foreign Affairs Committee and the General Accounting Office, during the past months. The facts and answers to the specific charges referred to in the Othman column were submitted to our committee in both oral and written form and not only are available in the committee's files but also are a part of the public record. Also, specific questions raised by Congressman PASSMAN in a speech before the House of Representatives on March 25, 1958, were answered in great detail and submitted to Congressman PASSMAN as an attachment to a letter from Mr. Smith, the Director of ICA, dated May 12, 1958. Thus, the facts and answers were made fully available to the committee.

For other references to the Laos aid program during the course of congressional hearings, see, for example page 865, hearings before House Foreign Affairs Committee, volume 1, February-March 1958; pages 66, 71, hearings before Far East and Pacific Subcommittee of House Foreign Affairs Committee, May 7 and 8, 1958; pages 529-531, 949-952, 962, 966-1014, hearings before the Foreign Operations Subcommittee of the House Appropriations Committee, April-

June 1958; page 1662, hearings before House Foreign Affairs Committee, volume 2, February-March 1958.

Furthermore, though at the point in the hearings quoted by Mr. Othman, Mr. Murphy was not personally prepared to answer the specific assertions, ICA had offered and scheduled witnesses to cover these problems and they were in fact later covered before this Appropriations Committee in much the same way as they had been earlier before the House Foreign Affairs Committee.

The references in the Othman column to exorbitant profits on such commodities as water pumps, Gourmet powder, and knitting machines presumably relates to testimony on pages 509-511 of the hearings before the House Appropriations Subcommittee. It should be noted, however, that only a few pages later in the hearings pages 529-531—these charges are completely rebutted.

Regarding specific points covered in the column:

Aspirin tablets were selling in Vientiane on April 4, 1958, for 1.4 to 2.8 cents per tablet, not 15 cents.

Seven hundred thousand dollars of pharmaceuticals have not been consigned to the health minister. Expenditures of \$260,400 for malaria, yaws, and first-aid projects including medicines are recorded. These medicines are jointly controlled by the ICA Mission and the Ministry of Health, and are dispensed free of charge in carefully controlled programs.

There is no record of penicillin selling in Vientiane for 90 cents per capsule. An investigation reveals that as of April 4, 1958, a 20,000-unit capsule was available at 13 cents to 16 cents, a 500,000-600,000-unit capsule at 24 cents to 34 cents.

It is not true that Madame Oudon has the only pharmaceutical house in Laos privileged to have import licenses for medicines. There are at least 34 other pharmaceutical houses, according to latest reports, also importing medicines under license.

The ICA mission has not been able to document a single case of diversion of ICA-financed medicines to neighboring countries. However, the disparity between the official rate of exchange for Laotian currency and the free market rates in neighboring countries has certainly resulted in the diversion of considerable quantities of commodities originally destined for Laos. This has been one of the major problems in the operation of the aid program in Laos. Monetary reform measures now under discussion are expected to eliminate largely the incentives which have made this situation possible.

The only substantial quantities of medicinals which could have been in Laos in storage at the time the assertion was made were brought in by the French in connection with the military operations in the area and left in Vientiane to be used for remaining military forces.

The overcharging for the water pumps, Gourmet powder, and knitting machines did not, in fact, occur. The above-cited testimony presents conclusive evidence that the proposed procurement which was to have resulted in such exorbitant

profits was discovered and forestalled by a group of procurement experts contracted by ICA specifically, among other things, to control and correct just this type of possible abuse.

With respect to exchange rates, the executive branch has been aware for some time of the unsatisfactory situation in Laos growing out of an unrealistic exchange rate. This has been made clear in hearings before the committees of the Congress. In undertaking aid in 1955 to the newly independent country of Laos, the first and most crucial requirement was to have available the local currency funds needed to keep the Lao Army in being as an effective fighting force to prevent the spread of Communist control in the country, which already extended to two of the provinces. Accordingly, help was given in financing the Lao Army under pay scales and other arrangements prevailing at the time. Dollars made available for this purpose were turned over at the official rate of exchange. As time went on, however, it became increasingly clear that this rate was an unrealistic one and was at the root of many of the difficulties which had arisen in operating the aid program. Various measures were undertaken to deal with this situation, first by helping the Lao Government to institute controls in handling the import program. Beginning in December 1956, attention was concentrated on the root of the problem, the unrealistic exchange rate, with the result that in October 1957 a plan for fundamental monetary reform was submitted for Lao consideration. The election in May 1958 made it necessary to temporarily suspend discussions with the Lao Government on this plan. Negotiations now have been resumed, with the expectation that agreement will shortly be reached.

The chairman of the subcommittee criticizes the Development Loan Fund. He says that only a small part of it has been obligated, but that they are talking about letters of advice. He says he wants to try to find out what that means. I will read to you from the report on the Import-Export Bank bill in which the Congress raised their authorization from \$5 to \$7 billion, showing its overwhelming confidence in the operation of this institution. Listen to this, because you have to understand what a loan program is about. If you are going to have a loan program you do not handle it the way you handle a grant program. For 10 years we have had critics of this program saying, "Go ahead, put more of it in loans and not so much in giveaways or grants." Here is a chance, when there is \$1,115,000,000 authorized for loans and they come up this year with only \$300 million additional. This is what was said in the report on the Export-Import Bank bill:

The actual use of the borrowing authority always lags behind the commitment of lending authority. Typically there is a time lag between authorization of a loan and the actual disbursements under it. In the case of large development projects, for example, there may be a lag of as much as 4 or 5 years before complete disbursements are made.



The report shows that on December 31, 1957, the lending authority committed by the Export-Import Bank was \$4,466,000,000, and the borrowing authority used by this old and well-run institution was only \$1,487,000,000.

However, remember the borrowing authority must exist before the commitment, before the letter of advice, can be issued. That is why we need this money for the Development Loan Fund, to carry out this program the way some of us supporters of it, including myself, have fought to have it carried out for a decade.

It is said these loans are just the same as grants and gifts, and we will never get the money back. Many people who remember events after World War I have the idea that foreign loans are the same as grants and are never repaid. The record since World War II shows those people are wrong. Here is the record:

Since 1945 we have loaned \$16 billion. Principal collected, \$4,824,000,000. Interest collected, \$1,987,000,000. Total, \$6,800,000,000. "Brother, that ain't hay" in payments on \$16 billion of loans. It shows what we can expect if we can avoid a third world war, if we can help these countries develop.

They talk about soft currencies. They used to talk about any Government loan as soft currencies. If these countries develop, some of these soft currencies are going to be mighty good for us to have to buy some critical raw materials we will need 20 years from now.

One more item: There has been a great deal of talk about this Indonesian textile industry deal. Here is the situation. Indonesia at present has to put out foreign exchange for \$200 million of textile imports each year of which only \$5 million comes from the United States. This only involves specialty cloths because, of course, due to the freight and the distance, those countries out there can underbid us. Now the balance over that \$5 million came from Japan, India, Hong Kong and guess who—Communist China. The Indonesian government, faced with this \$200 million loss of foreign exchange each year, has been determined to set up their own textile industry. We said, "We will help you, only we want you to make it a private enterprise—proposition and we will see if we cannot get an American textile factory to go out there and go into business." This was not to export to the United States, but to make the kind of cloth that they want in Indonesia to make sarongs and turbans and that sort of thing—so that they would save on their foreign exchange. These letters, therefore, were sent out for that purpose. The result of the letters was only one response and that was from a company that wanted to set up and operate some old textile plants, but did not want to take all the risks involved. We are now informed that that effort failed. Is that not a wonderful thing for the United States? Well, I will tell you what happened. We are now informed that Indonesia has accepted the Chinese Communist offer. That is what the Indonesian textile operation was about. There never was a chance to sell our textiles beyond these

special cloths out there. There was never any danger that they were going to reexport here. It was a move in the cold war where we tried to win a battle to prevent the Communists from getting some business and to build up private enterprise, and we lost. If we had won and if we had succeeded, the whole United States would be a great deal better off at this time.

Mr. Chairman, we have gone over this status of unexpended and unobligated balances. I think possibly it has been gone over sufficiently so that all of us understand that this time you do not have the kind of unobligated and unexpended balances that you can use instead of new appropriations. I have a chart here which was in our hearings and is available, no doubt, in these hearings. But, from where you sit you can see this hump that goes up from 1950 to 1952 when we had \$10 billion of unexpended balances altogether including a little over \$8 billion in military and a little over \$4 billion in economic aid and these unexpended balances have been tapering off right up to this year. We now have gotten these unexpended balances down to where they are only sufficient to complete the obligated program—that is, under obligation now. If we attempt to respend these unexpended balances any more, we are going to have to cut the program, either the military program or the economic program in these vital and critical years that lie ahead.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. JUDD. I want to compliment my distinguished colleague for dealing with this subject so ably not in generalities, but in realities and for giving us the hard, cold facts which will enable members to make up their minds on a sound basis regarding the fundamental worthwhileness of this program which, although there, of course, have been mistakes, has overall been extraordinarily successful. I commend the gentleman.

Mr. VORYS. I thank the gentleman. I have now discussed the only speech defending the committee bill. I regret it did not explain the committee action. Apparently, no one else is going to try to explain it. To me the cuts are still inexplicable.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PASSMAN. Mr. Chairman, I yield myself 10 minutes.

I have been speaking throughout the day in support of the position of the committee—not of PASSMAN. This was the subcommittee's position and the position of the full committee. The gentleman from Ohio has set a new record for ridiculing another Member of this House. I hope he enjoyed himself. It is customary for an attorney in court when he has a weak case to lambaste the attorney on the opposing side. I regret that according to the gentleman's estimate of himself, his intellectual capacity is so superior to mine that I am supposed to go off and try to find reasons to be embarrassed for finding out this late in the

day that there is one among us of such great knowledge and wisdom who had not imparted some of the benefits thereof to the chairman of this committee before today.

The committee is asking for consideration of the bill and support of its position upon the basis of facts, including the misrepresentations in prior years, upon the admission of the witnesses this year that we had improved the program by putting at least a little sense into it, and by observing the workings of the program. Our case is founded on solid rock. I suggest that the majority of the members of the Appropriation Committee are willing for the President to finish whatever he is doing at this time, and to stand by and await his pleasure. If it is the wish of the House that we neglect the people's business and carry this consideration over until tomorrow, in order to afford the people downtown further opportunity to pressure the Members, I have no fear of the result. I do not think the Members are going to yield to the pressures that will be exerted between now and the time we convene tomorrow.

We have made our case factually and fairly. If the gentlemen from the other side of the aisle have pinned down one point that could justify increasing this bill by as much as \$1, I certainly have not been able to detect it. Therefore, I plead with you now, as you go to your places of abode, to come in tomorrow with an open mind. And I ask you to cast your vote based upon the record. The facts are on our side, and the facts are of record. We are ready for the jury's verdict, confident that you will vote to uphold and support your committee's recommendations, no matter the strength of the pressures that have been or which may yet be applied.

As I say to my colleague from Ohio [Mr. VORYS], I am sorry if I do not possess the great intellectual capacity that he indicates he possesses, and which is necessary to understand the complexities of this program. The gentleman's counsel would have been welcomed.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all Members may insert their own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. ROBISON of New York. Mr. Chairman, I have been following the debate on H. R. 13192, the mutual security appropriations bill, with great interest. It is clear, both from the remarks of my colleague from Louisiana [Mr. PASSMAN] and from the hearings held by his subcommittee, that there have been rather numerous instances of maladministration and wasteful management of the funds previously voted by the Congress for this program. Every Member of this House, I am sure, deplores that fact.

And yet, Mr. Chairman, even though some of us will grudgingly give our continued support to this program, what other alternatives is, in truth, open to us?



We have recently appropriated nearly \$40 billion for defense purposes in the new fiscal year commencing today. That enormous sum of money, in my opinion, can buy us only time, and an uneasy peace. It can be no more to us than a temporary shield. Like any shield, its value will depend on what is done behind it. It follows, therefore, that unless we take action for peace, behind our shield of defense strength, those billions for defense will represent nothing but sheer waste. Waste this Nation can ill afford.

"Why pour more billions in foreign aid down the rathole," or "let's stop this giveaway program," say the critics of mutual security spending. But have they stopped to find out how much more it would cost America to attempt to take on the Soviet bloc defense effort all by ourselves?

And have they stopped to remember that our most recent war experiences in dollars and cents, net costs, were: World War I, \$72,389,000,000; World War II, \$425,305,000,000; Korea, \$83,405,000,000. When you add the inestimable value of human lives, American lives, lost in those wars to the financial cost thereof, how dare we here fail to give the President the tools he wants and says he needs for waging peace in the hope of avoiding another such war? As my colleague, the gentleman from Texas [Mr. MAHON], in a remarkable address several days ago said:

If we take the responsibility of denying the President the tools, then the Congress may be held responsible for the shortcomings from this day forward.

I, for one, do not wish to share such a responsibility.

Is not the situation today then one calling for an aggressive effort to wage peace, as well as to prepare for a shooting war? Is not this very program such an effort to wage peace? And does not the appropriation requested by the President to carry on that effort represent the ammunition required to continue to fight for peace? Just as surely as we did not require the Air Force to do without more bombs whenever they missed a target during World War II, we should not now require the administration to try to correct, improve, and continue this peace effort with insufficient ammunition.

I think our responsibility lies in providing that ammunition. I will vote for the amendments that will be offered to partially restore cuts made by the committee.

Mr. BOSCH. Mr. Chairman, I have carefully considered the mutual security appropriation bill for 1959 in an endeavor to give fair and impartial study to the programs envisioned under its provisions. I should like to first restate my position, fully explained at the time of the debate, on the mutual security authorization legislation when it was under consideration and at which time I voted "No." It has been my practice to send questionnaires to my constituents in my congressional district, and I have included a question on the continuation of further expenditures under this program. The result on this vital question was 32 percent for and 68 percent against. I must of necessity give weight

to the opinion of the people in my district together with other facts and circumstances as foundation for my vote.

I should like, before going into the figures on this bill, to point out that at the present time the estimated deficit for fiscal 1958, which ended yesterday, is between two and three-quarters and three billion dollars. The estimate being spoken of for fiscal 1959 is between eleven and twelve billion dollars. Mr. Chairman, these figures should well shock all of us into a sense of responsibility to move with caution unless, of course, we are willing to be dubbed financially and fiscally irresponsible. Sometimes I wonder if we ever stop to think whether or not Uncle Sam's pocket really has a bottom or even more seriously we ever realize that a fundamental philosophy of Communist ideology and practice is to destroy us by having us spend ourselves into bankruptcy. Do we realize that we have expended in assistance to Communist nations over two and one-quarter billions of taxpayers' hard-earned money.

Now to the bill and the moneys sought to be appropriated in order to buy friends who, when the chips are down, cannot or would not stay bought, and to secure peace. The request was for a total of \$3,950,092,500 which amount has been reduced by the Committee to the amount sought to be appropriated of \$3,078,092,500. This amount is exclusive of a total unexpended balance as of June 30, 1958, of \$5,194,992,000. If the instant legislation is adopted, there will be on hand for expenditure in fiscal 1959 the grand total of \$8,273,084,500.

Mr. Chairman, with a long, long look at the record of the past with regard to these programs, I cannot in good conscience add this burden on the back of the already desperate American taxpayer. I shall therefore vote against this legislation.

Mr. HALEY. Mr. Chairman, there was a time in our history when the executive and legislative branches centered their attention on building a better United States. At the present time, we seem to have centered our attention on the establishment of a welfare world, with the American taxpayer paying the bill. A few years ago if any country happened to hold an American citizen as a hostage, our courageous leaders simply demanded their return and they were returned. In those days, we simply let the world know where we stood on an issue and there was no quivering on our part when the announcement was made. In those formative years, the world respected the United States, and when an American citizen visited in another country, he was treated with great respect by everyone. However, the pendulum has shifted to the opposite direction. Instead of the world knowing where we stand, they are surprised whenever we do any act consistent with our prior conduct. No country can be sure what we will do in any given situation except give them money if they say it is needed. Consequently, whenever we make an announcement in connection with foreign policy, the world wonders if we really

mean what we say. Whenever the opportunity presents itself in certain countries, American citizens are held as hostages, or kidnaped and held for ransom, and we usually submit to their demands. No longer are American tourists treated with respect in many countries of the world.

Now we find that the Soviet Union is the country who makes demands of us, and they have played us for the suckers we have been on many occasions. I regret to say that we have fallen into their trap far too often. The Communists have been pushing us with all their might because they have learned we can be pushed. We have shifted from the position of taking affirmative and positive action, whereby we employed sound, realistic and practical techniques in the conduct of our foreign policy. We have moved to the other extreme in attempting to adhere to some naive "idealistic" approach which sounds good but when put into operation in the manner of the so-called mutual-security program, we find it is simply not the answer to our problem for it does not, and it cannot, meet our need for security in the modern world.

Of course, I realize there will be those who will call me a reactionary or an isolationist. I deny such charges. I fully realize that the world is changing, and that change is inevitable in the order of things. I am not advocating reactionary policies. Nevertheless, we must not forsake the principles which have been tried and proven in the conduct of our foreign relations. I maintain that we have shifted too far and it is now time to allow the pendulum to swing back to center position.

Realizing that most Members of Congress have already decided how they will vote on the so-called mutual security appropriations bill, I repeat remarks I made on May 13 of this year, in appealing to the Members of Congress to study this bill carefully. Is the mutual-security program as we know it today really necessary? I insist that it is not. It is merely a means whereby our foreign policy as enunciated by the State Department no longer relies on intelligent statesmanship but rather on the amounts of dollars the agreement will cost. A few years ago the recipients were grateful. Today they say that is not enough. Must we continue to rely on our alleged wealth and dollars to buy friends and influence people? I repeat, we must return to a sane realistic approach. We must realize that the easy approach is to hand out money, but I insist this is not the best approach for it does not solve the basic problem, it only aggravates and confuses our problems.

Mr. Chairman, I want to congratulate our distinguished colleague, the Honorable Mr. PASSMAN, as well as his committee for the fine start they have made in recommending a reduction in the next fiscal year of \$872 million from the President's budget request for this so-called mutual-security program. I use the term "fine start" for such a reduction is only a fraction of what it should be. The committee has worked under a tremendous handicap and they deserve our



praise for such good work. Nevertheless, we have a long way to go in finishing the job of deleting this needless and unnecessary expenditure of the American taxpayers' dollars.

We cannot afford to continue this program, for we have made entirely too many mistakes by adhering to a completely fallacious and illogical concept of foreign policy. We have adopted the false notion that our own security will be assured if we subsidize governments that may be helpful to us in the event of war. But I maintain that reliance on foreign aid is treading on quicksand because of the simple fact that governments which have been bargaining with us on such basis may possibly sell out to our enemy if the enemy outbids us for their favors. Have you ever seen any individual who has been given aid over a long period of time and who has never relied upon his own initiative and ability? He may be your friend as long as you continue the handout; however, once you stop the aid, you have lost a friend.

Let us look at the cost of this program, and the amount of money which we have given to other countries. Remember that under the Marshall plan, aid was extended to 14 countries. Under the so-called mutual-security program foreign aid is being extended to 67 countries. The total appropriations for foreign aid—including the lend-lease program, the Marshall plan funds, and the present day so-called mutual-security program—for the years 1940–58, amounts to \$134,764,000,000. The expenditures and credits granted during the 1945–57 period amounts to \$68,517,300,000. This amounts to a \$773.91 share per person in the United States based on the estimated population in the United States as of 8 a. m. this morning. For your information, the estimated population as of 8 a. m. this morning, July 1, 1958, is 174,133,619. For the period 1945–57, this per capita share amounts to \$393.47.

To give you some idea of what this amounts to with respect to a congressional district, the share of the people of my district, the seventh district of Florida, amounted to \$197,167,755 for the period 1940–58, and \$100,244,746 for the period 1945–57.

It should be noted that of the amount already appropriated for foreign aid up to July 1, 1957, \$10 billion remained in committed but unspent funds. It should also be noted that this amount is in addition to the money assessed to the United States by the United Nations and other international organizations. For example, in 1956, the assessed budgets for these international organizations included \$31,343,953 assessed to the United States, which represented 34.13 percent of the total budgets of these organizations. I have no argument against contributing our fair share to these international organizations, but I maintain that we cannot continue to contribute approximately one-third of the cost of operation of these organizations and at the same time spend huge sums of money in the so-called mutual-security program. The amount we have given away to other countries in the 1940–58 period

amounts to approximately 48 percent of our national debt. The amount we have spent in foreign aid in the 1945–57 period amounts to approximately 25 percent of our national debt. To add to this burden with respect to our national debt, estimates have been made that our debt will be increased another \$10 billion in this current fiscal year. I repeat a statement I have made many times, we cannot continue to give away the wealth and resources of our country without waking up one day to find our own Nation faced with bankruptcy.

Now is the time when we must reject the idea that we are the chosen people to play the role of "uncle" who can always be counted on to make a handsome contribution. When those in power in some countries find themselves in a position where they need more money, rather than increase the taxes in that country there merely tell "good old Uncle Sam" they need more money to fight communism, and the money is forthcoming. If these countries desire freedom, they will secure it without our money. If they desire to develop their country, let them borrow the money they need. Why can we not realize that in the battle for men's minds the continuing dole in foreign aid is not the answer. I repeat, we must stop this needless and wasteful expenditure of the American taxpayer's money. Let us regain some of the courage and firm convictions which guided our leaders in prior years. Instead of relying on our economic wealth, let us intelligently set our goals, establish our policies accordingly, and be unafraid to let the world know where we stand with respect to our foreign policy. We do not need to rely on foreign aid to establish strong allies. It is possible to maintain military security as well as friendly relationships with other countries without expending the huge sums forced upon the American taxpayer. In fact, if we continue to play the role we have assumed as the free banker for the rest of the world, we will continue to lose friends and adversely influence nations.

Mr. DOWDY. Mr. Chairman, another big dent is being made in the pocketbook of the American taxpayer with the appropriation of these additional huge sums for the foreign aid program.

I am opposed to this appropriation just as most Americans oppose it; but the administration has put on so much pressure that a majority will vote for it. I understand that pressure is being intensified right at this moment.

This foreign aid project raises many questions in my mind, and in the minds of all thinking people. Let us look at some of those questions.

Why must we carry the load of maintaining the economy of every other country in the world? Why must Americans be taxed so that the other nations might be able to reduce the taxes they assess against their own people? Why must we run a deficit every year in order to balance the budgets of other countries? Why must we increase our national debt each year, so that other nations may reduce their national debts? Why should we give our money to foreign dictators when so much better use could be

made of it in taking care of our own needs and our own needy? The answers I find to these questions impel me to oppose this bill.

The answer that the administration always gives is that if we do not do exactly what each of 80 foreign countries want us to do, they will all go over to Soviet Russia. If that is so, we are already as defeated as the Communist dictators say we are, and we had better take a look at what is happening to our own economy, including what is happening to our hoard of gold at Fort Knox, too much of which is already earmarked for foreign accounts. This gold is claimed to be back of the American dollar, but it develops that a large percentage of it actually already belongs to foreign nations, and is being held for them. The security for our money has even been given away by our foreign-aiders.

Obviously, it is impossible for any one country, whether it be the United States or Russia, to carry on its shoulders the total economy of the human race.

Certainly the United States does not possess the reserves to support the currencies of all these countries where the value of their money is falling, especially when our own currency is falling.

If we are going to become unpopular in any particular foreign country because its money is suffering from inflation, we cannot do anything about it, because our own money is also suffering from inflation.

The United States had its industrial and transportation development without gifts from foreign nations. Since this country started its foreign aid handouts, however, much of the world has reached the conclusion that domestic problems in their own countries can best be cured by leeching upon the United States. Officially, this has cost us some \$80 billion, but really, the cost has been too enormous to estimate, and it is the cause of our inflation and increasing high cost of living.

Once some of the countries realize that Uncle Sam is no longer an easy touch, they will develop adequate ability to take care of themselves, just as they did before the United States took on the burden of supporting the entire human race. Somehow, they managed to get along on their own before we took over, and they can do it again.

Along this same line, since it is claimed that foreign aid is to fight communism, a study of developments under communism in other parts of the world, in past years, shows that almost exactly the same developments are now taking place here in America.

The first development, of course, necessarily includes a penetration of our leadership circles by a softening up and creating a defeatist state of mind. The most deadly conception of all, and it requires a softening up in our thinking before we can take it, is the idea that there are different kinds of communism, and that besides international communism, there is something called national communism, which fundamentally differs. There is nothing of the sort. We are again interpreting, on the basis



of wishful thinking, what the Communists are plainly saying. We base the national communism conception on Titoism. Tito at no time disowned or expressed doubt in any of the fundamental tenets of communism, and he is today expending all the time he can in trying to tell the world that he believes in communism, intends Communist objectives to win out and rule the entire world. Yet we continue to give vast sums of money to Tito to help him further enslave his people—and the same in Poland. In this, as always, communism has been able to get the help it needs from the non-Communist, and principally from the anti-Communist world.

By strained interpretations of the requirements of law, completely fantastic statements have come from the White House and the State Department that communism in Yugoslavia isn't really communism, and that communism in Poland isn't real communism. We ought to have learned our lesson in China, when our leaders claimed that the communism of China was not really communism. We were told that in China, it was not the communism of Moscow, and at the very same time the Chinese communist dictator was saying it was the same communism, just exactly as Yugoslavia's Tito has continually said the Communist ideology is the same everywhere, and that the objective of communism is world domination.

The appropriations provided in this bill just cannot be justified, and this is more particularly true when it is admitted that our deficit for fiscal year 1959 will run between \$10 and \$15 billion. I will not vote to put this additional burden upon my people and our children, grandchildren and great-grandchildren. At the very least, this bill should be so amended to prohibit any expenditures hereunder that would result in increasing our national debt. For this country to borrow money to give away to foreign countries in inexcusable.

Mr. NEAL. Mr. Chairman, the mutual-security program has become an increasingly cumulative dollar volume with the passing years.

The administration takes the position that the end is nowhere in sight. Furthermore, we have no assurance that its cost will not increase. In the face of Russia's past successes in weakening our influence among neutral and wavering nations, our efforts to keep them from outright allegiance to the Kremlin will necessitate increased appropriations as years go by.

The big question then is how long can the United States continue to dissipate her resources in a cold war that is apparently being won by our adversary. It must be admitted that in spite of our liberal economic and military aid, the propaganda technique of the Kremlin has been quite successful in persuading some of our former friends and potential allies to lose faith in American leadership, both political and military.

Regardless of moral principles and proclamations, unsupported by the confidence of other nations, no great nation has ever maintained world respect.

The United States, after World War II, was recognized as the leading world power economically, politically, and militarily. That power is now being challenged by Russia and the challenge is being implemented by psychological rather than by material means.

Fully aware of the military might of the United States, as demonstrated by all-out response in defending Europe against aggression in wars 1 and 2, Russia has elected to avoid us militarily, preferring to engage us in a spending program which would bankrupt our economy and leave us helpless against her implanted infiltrators and saboteurs.

We are trying to fight a psychological war with dollars instead of resorting to the only weapon we possess which will both challenge the Kremlin and restore lost confidence so manifest on the part of the less powerful nations holding their breath until they can determine which way to turn.

Russia does not want war at this time. War with the United States is the last thing they would think of. She has never waged a successful war against a powerful adversary. She will go to war only as a last resort in self-defense or when she is convinced that her cold-war tactics have failed. But the longer the United States and the Western World parley over summits and stand idly by while Russia, by sheer bluff, infiltrates weaker nations and creates provocations by capturing and impounding innocent United States citizens, the West may expect the Kremlin to occupy time gained in building military might for future attacks.

The evidence does not prove that we are gaining world influence with our foreign-aid program. Yet it has reached the point that we cannot abandon it. Even though we continue our foreign-aid program, evidence that we are losing the psychological front is irrefutable.

I believe our Government still holds the whip hand but it must be wielded with more firmness. We run no great risk of immediate armed conflict by adopting a firm and positive position in our Russian relations.

Just as long as the United States permits Russia's tantalizing and bluffing tactics, the world will continue to question our moral stamina while the Kremlin gains propaganda victories one by one.

The appeasement tactics of Chamberlain and Daladier led to German effrontery and World War II. Russia and the West provide a similar pattern today. We may run the risk of war by calling Russia's hand, but if war must come, why wait until Russia gains military power to strike and after her psychological program of propaganda has all but destroyed the confidence of many of the neutral nations of the world that may still have confidence in our power to defend the free world.

Mr. PASSMAN. Mr. Chairman, I believe that the committee's case is good and strong.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 13192, had come to no resolution thereon.

#### APPOINTMENT OF ONE ADDITIONAL SECRETARY OF STATE

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 614, Rept. No. 2101), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1832) to authorize the appointment of one additional Assistant Secretary of State, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

#### AUTHORIZING ESTABLISHMENT OF INSTITUTES AND JOINT COUNCILS

Mr. BOLLING (on behalf of Mr. O'NEILL), from the Committee on Rules, reported the following privileged resolution (H. Res. 615, Rept. No. 2102), which was referred to the House Calendar and ordered to be printed:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 424) to improve the administration of justice by authorizing the establishment of institutes and joint councils on sentencing for the development of objectives, standards, procedures, and policies to be followed in the sentencing of persons convicted of offenses against the United States. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the joint resolution shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now in the joint resolution and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original joint resolution. At the conclusion of such consideration the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the joint resolution or committee substitute. The previous question shall be considered as



the contributions ceased the day Galindez vanished.

The most regrettable aspect of all this is that you know that everything which I now say, and which my report says, is the unrefuted truth and that for reasons best known to yourself you choose to ignore the real mystery; namely, the million dollars which he collected and the sources from which it came. Instead you have chosen to devote your efforts to bringing undeserved agony and shame to the family of Gerald Lester Murphy.

MORRIS L. ERNST.

CONGRESS OF THE UNITED STATES,  
HOUSE OF REPRESENTATIVES,  
Washington, D. C., June 24, 1958.  
Mr. MORRIS L. ERNST,  
New York, N. Y.

DEAR MR. ERNST: I still think you ought to see these papers. Justice Department assures me you have not seen them. I still gasp over your repeated assertion that you find not a scintilla of evidence connecting Murphy with Galindez. What about these papers, Sergeant French's sworn statements and the testimony in the Frank trial? Existence of evidence is one thing, weight is another.

I have never tried to establish in the public mind or in any other way that Gerry Murphy was a kidnaper. The evidence is that he piloted the plane carrying Galindez to the Dominican Republic and that at the time he did not realize the unconscious Galindez was going against his will.

My efforts to date for Gerry's parents, Mr. and Mrs. Lester G. Murphy of Eugene, Oreg., have met with their appreciation and gratitude. My primary motive has been and is, to help them find out what actually happened to their son. They have never been clients of mine and you know it. Justice Department held these papers pending possible further indictments by the grand jury. You as a lawyer must understand this. I released them as soon as I received custody of them.

Gerry was preparing to tell his story publicly when he disappeared. You would realize this if you would consent to come and look at the papers, many of which have not appeared in the press. Gerry, it appears, realized that he had become involved far more deeply than he ever anticipated. I know his parents, his sisters, and some of his friends. He was not a kidnaper or murderer.

I am not familiar with Gerry's alleged operations with which you say I am familiar. Perhaps you could produce your evidence as to these alleged operations and then demonstrate their relevance to the issue of Gerry's flying Galindez to the Dominican Republic at the contrivance of Trujillo.

The President of the Basque Government in exile, an honorable and widely respected man, told me that the accounts of Galindez were in order and that the money came from Basques throughout the Western Hemisphere. I have seen no reason for doubting this.

It is ridiculous for you to say that I know your statements in your telegrams and in your report to be the unrefuted truth. The contrary is true. My detailed refutation is almost ready. Your comments, if any, will be most welcome.

The last time we met you ended the conference by refusing to discuss the reasons why I thought you were acting in bad faith. I would still like to hear your explanations of those matters I brought to your attention at that time, as well as for matters which have come up since that time. I hope you will decide to come to see the papers and talk with me.

Perhaps together we cannot shed any more light on what actually happened to Dr. Galindez and Gerry Murphy, but maybe we

can explore what happened to the Morris Ernst we once thought we knew and whom we respected. If a full investigation and the truth interest you, do come and see the papers.

Sincerely yours,

CHARLES O. PORTER,  
Member of Congress.

NANTUCKET, MASS.,  
June 26, 1958.

Congressman CHARLES O. PORTER,  
House of Representatives,  
Washington, D. C.:

In reply to your letter of June 24 indicating that you released to the press only a part of the Murphy papers now held by you, I strongly urge that you make all such papers in your possession immediately available to the public. At the same time you should also make public all the information you have about Murphy's bank accounts, and more particularly, the source of the \$25,000 deposited by him before March 1956 as indicated in exhibit No. 25 of my report.

It might also be helpful if you made public Murphy's income-tax return for 1955, as it should identify the source of this money. Likewise you can clarify Gerry's position by making public all his other bank accounts not available to us. I now assume you are not acting under the historic privilege of a lawyer. I am confident that you must realize that there is at least an inference that Murphy's money receipts are related to his airplane trip of March 12, 1956.

It is certainly an odd world when you, speaking for the Murphy interests, wrap Gerry into the kidnaping, while my report points in the opposite direction. The full facts about why the Galindez million-dollar flow stopped on March 12, might help your constituents clear their son's name of an evil charge.

We will only distract the public from the real objective—finding the source of the Galindez reported million-dollar fund—by suggesting that either you or I are at all relevant in the much-needed solution of the Galindez money mystery.

Cordially,

MORRIS ERNST.

MORRIS ERNST,  
New York, N. Y.:

Just talked again with Mrs. Murphy. She repeats that the Murphy family has no faith in you. All papers have been released and are still available to press and to you. Suggest we postpone further discussion until next week when you have seen my answer to your report.

CHARLES O. PORTER,  
Member of Congress.

[From the New York Times of June 24, 1958]  
GALINDEZ, MURPHY, ERNST

The extraordinary mystery of the disappearance from New York in March 1956 of the Spanish-Basque scholar, Jesus de Galindez, now emerges as more sinister but a little less mysterious than before. Impressive evidence, reported yesterday in this newspaper in a Washington dispatch by Anthony Lewis, links Galindez to the murdered young American pilot, Gerald Murphy, and in so doing more than ever points the finger of suspicion at the Dominican Republic.

For 3 weeks the issue had been confused by a skillful lawyer's brief prepared at great expenditure of time and money for Generalissimo Trujillo by Morris Ernst and a staff. The Ernst report took the published accusations against the Dominicans, threw confusion and doubt upon them, and strove mightily to depict the Dominican dictator as unjustly accused by enemies.

It is now obvious that the Ernst report is open to the most serious challenge. The be-

lief that Gerald Murphy was linked to the Galindez case is now proved. The possibility of his having flown Galindez dead or alive to the Dominican Republic is now clear.

All the same, the mystery of the disappearance of Jesus de Galindez remains deep and terrifying. It cannot be left at this stage. The Washington authorities, the grand jury, the New York police, the American press must go on and never give up until the case is solved.

[From the New York Times of June 25, 1958]

WITNESS DISAVOWS GALINDEZ AFFIDAVIT  
(By Peter Kihss)

The Columbia Broadcasting System announced last night that a Long Island woman had in effect repudiated an affidavit attributed to her in the Morris L. Ernst report on the disappearance of Dr. Jesus de Galindez.

The radio network made public a statement in which the daughter of a now-dead watchman at Zahns Airport in Amityville said she had been induced to sign the Ernst document by misrepresentations. The Ernst affidavit would have knocked out one prop for a theory that Dr. Galindez was kidnaped; the repudiation would reinstate this.

Mr. Ernst, a New York lawyer, had made an investigation of the disappearance here March 12, 1956, of Dr. Galindez, a Basque scholar. His report June 1, absolved Generalissimo Rafael Trujillo and his Dominican dictatorship of any role in the case, and also said there was no evidence to link a now-missing American pilot, Gerald Lester Murphy, to it.

Yesterday Mr. Ernst made public a 600-word telegram to Representative CHARLES O. PORTER, rejecting the Oregon Democrat's invitation to study newly released documents belonging to Mr. Murphy.

Mr. Ernst said he had previously been aware of their contents. He denied they were any evidence that Mr. Murphy might have flown a plane taking a kidnaped Dr. Galindez to the Dominican Republic.

Instead, Mr. Ernst suggested that Mr. Murphy undoubtedly made these notes and statements as a cloak for other of his operations with which you are familiar and which show that he received \$25,000 about 6 months previous to the Galindez disappearance and that he also deposited an additional \$10,000 in 1 of his 3 bank accounts around the date of Galindez' disappearance.

#### CUBA LANDING CHARGED

The Ernst report had contended that Mr. Murphy's plane landed in Cuba March 13, 1956, instead of in the Dominican Republic. It also recalled the pilot's reported statements that he had flown arms and funds to Cuba for opponents of President Fulgencio Batista.

The CBS announcement involved Mrs. Virginia Wulfin of 211 North Utica Avenue, Massapequa, Long Island, daughter of the late Anthony Frevele, Zahns Airport watchman. In a transcription on a broadcast by Edward R. Murrow, May 20, 1957, she said her father had told her on March 12, 1956, about having helped to put aboard a plane a reported millionaire cancer victim who was being flown to Florida.

The Murphy plane had taken off that night, the same night on which Dr. Galindez, an opponent of the Trujillo regime, vanished after lecturing at Columbia University. Mr. Ernst had rejected a theory that Dr. Galindez might have been abducted and flown away on the Murphy plane.

In the Ernst report, an affidavit from Mrs. Wulfin said she believed her father had told her about the reported sick man only in April or May 1956, adding the incident occurred a couple of days earlier, instead of on March 12.

"She attributed the inaccuracy of her previously reported remarks," the report added.



to constant pressure by interviewers. According to Mrs. Wulfin, the interviewers were indeed most anxious for her to remember the incident, but they wanted it remembered as of a specific date."

CBS made public a new statement by Mrs. Wulfin dated June 12. In this she said the Ernst document had been "brought to my home by three men who represented themselves as being reporters from the New York Daily News." She said they told her it was a release to enable the newspaper to quote the CBS recording, and she signed it "without reading it carefully."

Now, the statement went on, she had found "it contains statements that I will not support." She said she had been in a hospital in the last 2 weeks of April and early May 1956, so the talk with her father "could not have taken place then."

The alleged reporters, she went on, noted her father could not have told her about the incident "on March 12, because my father didn't come home from Zahns Airport until after midnight, which would have made it March 13."

She said she had agreed and had inserted the number "12th" after a reference to March in the paper, but didn't realize that the paper then put the incident "in April or May." She also asserted she had not seen the affidavit being notarized.

CBS said William Richter, a notary, had verified his signature, but declined to answer any further questions which might shed some light on the circumstances under which the affidavit was procured. The Daily News was quoted as denying it assigned anyone to interview Mrs. Wulfin.

Representing Mr. Ernst, who was in Nantucket, one of his associate counsels, Alan U. Schwartz, said yesterday that "to the best of my knowledge, nobody from our office ever represented himself to Mrs. Wulfin as a reporter for the Daily News."

Mr. Schwartz asserted that "Mrs. Wulfin's statement that she hadn't read the affidavit when she signed it is incredible, not only because it is most unlikely that anyone would swear to something she did not read," but also because she initialed two corrections.

The Ernst-Porter exchange revolved about Mr. Murphy's flight log and an apparent chronicle in which the pilot wrote the name of Dr. Galindez and others who have been mentioned in the kidnapping theory.

Mr. Ernst said he was at a loss to comprehend Representative PORTER's "apparently passionate desire to establish in the public mind that the son of your clients and constituents was a kidnaper."

"All of my investigation," Mr. Ernst wrote, "indicates to the contrary, and I find not a scintilla of evidence that Murphy was in any way connected with the Galindez disappearance."

[From the New York Times of June 26, 1958]

NEW DENIAL HITS GALINDEZ REPORT—BASQUE AID-IN-EXILE HERE SAYS HE WAS MISQUOTED ON FUNDS BY ERNST

(By Peter Kihss)

The present Basque representative-in-exile here asserted yesterday that he had been misquoted in the Morris L. Ernst report on the disappearance of Jesus de Galindez.

Juan Oñatibia, the Basque exile, insisted that the \$1,024,418 raised by Dr. Galindez as delegate of the Spanish Basque government-in-exile before his disappearance here March 12, 1956, had all come from Basques in the Western Hemisphere. It all had been used for Basque purposes, Senor Oñatibia added.

Mr. Ernst made public a Dominican-financed report June 1 absolving the Dominican regime of Generalissimo Rafael L. Trujillo of any role in the disappearance. The report quoted Senor Oñatibia as saying that at least half the money had been collected by and

for agents of the parent Spanish Republican government-in-exile.

Yesterday Mr. Ernst sent a telegram to the mother of a now-missing pilot suspected of helping kidnap Dr. Galindez. In this the New York lawyer again referred to "the mystery of the million dollars" and contended that "the people who put up the money can easily explain the Galindez disappearance, and thus your son will be absolved from this alleged crime."

#### LAWYER DEFENDS AFFIDAVIT

Meanwhile, William Richter, a lawyer, defended an Ernst report affidavit he had notarized, which had been repudiated Tuesday by its signer, Mrs. Virginia Wulfin of Massapequa, Long Island.

Mr. Richter said he, as special counsel for Mr. Ernst, had got the affidavit with Francis X. Grottano, an Ernst investigator. He insisted that Mrs. Wulfin had known who they were and what she had signed.

Mrs. Wulfin had been quoted in the report as saying that an incident in which her late father, as watchman at Zahns Airport in Amityville, Long Island, reported helping put a supposed sick man on a plane had occurred in April or May 1956 instead of on March 12, 1956. March 12 was the night Dr. Galindez disappeared and the plane piloted by Gerald Lester Murphy took off.

Senor Oñatibia told a reporter the Ernst quotation from him was "not accurate." He said he had told an Ernst representative that Dr. Galindez did handle money for the Spanish Republicans and some private organizations, but that this was in addition to his Basque work.

Senor Oñatibia said Mr. Ernst's "intention is to make believe Galindez was collecting so much money and I am not doing so, so he was receiving some money of extra and unknown origin, and he tries to make a mystery of it."

Basque delegations in exile engage in political, cultural, and welfare activities, supporting themselves by voluntary fund raising. Their regime was granted autonomy by the Spanish Republic in 1936.

He added that he believed that the Basque exile regime, with headquarters in Paris, was raising as much funds as before, but was not receiving contributions directly from agents in Mexico, Venezuela, and Argentina, previously funneled through Dr. Galindez. His own collections, he said, were only from the United States.

Mr. Ernst's telegram yesterday was to Mrs. Emma L. Murphy, of Eugene, Oreg., whose pilot son disappeared in the Dominican Republic December 3, 1956. The lawyer recalled her "kind cooperation with our inquiry."

"Have faith," he added. "No matter what Jerry did, he had nothing to do with the Galindez matter, even though your attorney and Congressman are trying to prove that Jerry was either involved in or had knowledge of a kidnaping expedition."

[From the New York Times of June 30, 1958]

CUBAN INTELLIGENCE REPORTS NO DATA ON MURPHY FLIGHT AS CITED BY ERNST

(By Peter Kihss)

Cuban military intelligence has disclaimed knowledge of a landing in Cuba by Gerald Lester Murphy, an American pilot, at the time of the disappearance of Jesus de Galindez. Such a landing was alleged in the Morris L. Ernst report on the Galindez case after reports that Mr. Murphy had spirited Dr. Galindez to the Dominican Republic in his plane.

An inquiry citing the New York lawyer's report has brought a reply from Col. L. Perez y Coujil, chief of the military intelligence service in Habana, that "a search of our files does not reveal any information regarding the subject you mentioned, and we regret we cannot be of service to you."

Mr. Ernst absolved the Dominican dictatorship of Generalissimo Rafael L. Trujillo of any role in the March 12, 1956, disappearance here of Dr. Galindez, an anti-Trujillo Basque scholar. The lawyer's report, released last June 1, was financed by the Dominican Republic.

Mr. Murphy, who in turn vanished in the Dominican Republic December 3, 1956, had flown from Amityville, Long Island, on the night of Dr. Galindez' disappearance. The pilot landed at West Palm Beach, Fla., in a chartered Beechcraft, N68100. His log has recorded the flight as continuing to "MC," which one theory interprets as Monte Cristi Airport in the Dominican Republic, and then returning to Miami.

Mr. Ernst reported his investigators had "conferred with responsible officials of the Cuban Government." He added that "the Cuban authorities have reliable reports from their own confidential sources" that the Murphy plane actually arrived in Cuba March 13, 1956, and left the same day.

"We have concluded," the report said, "that the public silence of the Cuban authorities as to this information in its possession is related to its continued investigation into the financial backers of the N68100 exploit."

The Ernst investigators went to Cuba February 26, 1958. The report said that "after April 1, 1958, several responsible American correspondents sent cables from Cuba indicating that N68100 had arrived in Cuba on March 13, 1956, and returned to Florida the same day." It added that such stories were carried in Latin American newspapers.

While the Ernst report insisted Mr. Murphy "was not a kidnaper," it asserted that "in fact Murphy was engaged in an illegal operation for hire." It quoted him as having told other persons that "he flew arms and agents to Cuba for the revolutionaries" there.

Elsewhere it has been understood that the Federal Bureau of Investigation has found nothing thus far to link Mr. Murphy with Cuban rebels. A Federal court grand jury that has been investigating the Galindez-Murphy cases is due to expire today, unless extended.

#### FOREIGN AID

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BYRD], is recognized for 10 minutes.

Mr. BYRD. Mr. Speaker, once again the proponents of foreign aid, both here on the floor and in the executive branch, are making the point that billions of dollars spent on foreign aid are actually increasing the defense and security of the United States itself. The belief tends to pervade a good part of their testimony that we had better step up the aid program if we intend to win the race with Russia for the friendship of uncommitted areas.

I have supported foreign aid in past years and I am not today opposed to foreign aid that is wisely conceived and well executed. But today our foreign-aid program does not measure up to either of these standards.

Foreign aid is only 1 of the many instruments we have used to achieve the goals of our foreign policy in the past decade, but foreign aid is not a policy in itself; it is only 1 instrument by which foreign policy is carried out. Foreign aid will not even be an effective instrument unless there is a clear, vigorous and realistic foreign-policy leadership from the President and the State Department.



We do not have that kind of foreign policy. It has remained the policy of the Marshall plan era with but few additions. What we need is a new policy of effective American leadership to provide the framework within which a foreign-aid program, one which is properly and efficiently administered, and may I say parenthetically that our present foreign-aid program is not being so administered, can work as an effective instrument for the security of our Nation.

Mr. Speaker, the American eagle, for decades the symbol of American power and greatness, will become a pinfeathered, bedraggled bird unless we have an immediate firming of policy by the Eisenhower administration.

The headlines tell a sad story of the decline of American prestige. American airmen are made prisoners in Eastern Germany—9 other American airmen are forcibly detained by the Soviets after their plane was forced down in Armenia—30 American Navy men are kidnaped by Cuban rebels. What a sickening recital of insult and injury to America and Americans.

All of this comes in the wake of calculated affronts to Vice President and Mrs. Nixon in Latin and South America where bodily harm was plotted for the second highest American official, and the Stars and Stripes were desecrated. What has happened to our national honor and pride? A nation that cannot protect its nationals and flag does not encourage respect.

What of the hundreds of Americans who have yet to be accounted for from the Korean war? What is their fate? Why does our Government fail to get an answer? If our Government has the answer, the public should be informed.

What are the neutral nations of the world to think when they see American nationals humbled, imprisoned, committed, in many instances, to a living death?

Independence Day is a good time for the American people to dwell on these matters. It is a good time for the Eisenhower administration to adopt as a firm policy—a policy of no compromise with honor.

To submit to shameful abuses against our American citizens and our flag is not serving the cause of peace. It is only encouragement to aggressors to increase their provocations.

I call on the Eisenhower administration to reinaugurate the policy of firmness, strength, and insistence upon American rights that marked the birth and growth of the American Republic. When it does this I will again favor a foreign-aid program if it is realistic, well conceived and efficiently executed. I maintain that foreign aid will not achieve its purpose unless carried out as a part of a larger foreign policy which is sound and realistic. We do not now have such a foreign policy, and I am against any further authorization of American taxpayers' dollars to other countries, some of which countries are giving their own people tax relief, until a program can be devised to reduce inefficiency and the utter waste of money and equipment, until a program can be formulated which is directed toward the

assistance only of those countries that are dependable allies, and until we have a foreign policy that will be effective against the increasing Communist peril that confronts us.

(Mr. BYRD asked and was given permission to revise and extend his remarks.)

### IT IS IMPERATIVE TO AMEND PUBLIC LAW 480 SO AS TO STOP HURTING OUR FRIENDS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, last week—CONGRESSIONAL RECORD, June 24, 1958, pages 10974-10976—I called to the attention of the Members the fact that the Agricultural Trade Development and Assistance Act of 1954—Public Law 480—because it contains no provision requiring the taking of reasonable precautions in our surplus disposal program to safeguard the usual marketings of friendly countries, has caused much harm to our foreign policy. Many friendly countries such as Canada, Australia, Argentina, New Zealand, Denmark, Mexico, Uruguay, Peru, Burma, and Italy, have complained that our surplus-disposal program has displaced them from their normal world markets, with great damage to their economies. I served notice that I would offer an amendment to the measure which will come up very shortly to extend Public Law 480 for an additional 2 years as follows:

It is further the policy of Congress to take reasonable precautions to avoid displacing usual marketings of friendly countries.

Yesterday the majority leader, the gentleman from Massachusetts [Mr. McCORMACK], expressed on the floor his concern, which I fully share, lest Public Law 480 hurt our relationships with some of the best friends we have in the world. Unfortunately, the State Department has not sufficiently informed the Congress of the harm done our foreign policy by the absence of a provision against displacing the usual marketings of friendly countries.

#### SOME OF OUR BEST FRIENDS

The State Department has been mouselike, indeed, in passing on to the Committees on Agriculture the complaints of friendly countries. However, before the House Committee on Agriculture on May 9, 1958, Assistant Secretary of State for Economic Affairs Thomas C. Mann did say, in response to a question whether the State Department had heard complaints from foreign countries about the operation of Public Law 480:

I think (the list of countries complaining) would include a great majority of the nations of the free world. They have complained at one time or another on some particular barter arrangement.

A predecessor of Assistant Secretary Mann was even more to the point. Thorsten V. Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs, told the Senate Committee on Agriculture and Forestry last July that:

Title I of Public Law 480, however, and the barter provisions of title III, cause us serious foreign-relations problems with virtually all other exporters of any of the agricultural products included in title I agreements. The basic problem, of course, is to insure that title I sales or title III barter operations do not displace, or appear to displace, commercial sales at world market prices which we or some other free-world country would otherwise have made. Most other nations which export agricultural products are greatly dependent upon such exports for the bulk of their foreign-exchange earnings. They are not able, as we are, to sell for foreign non-convertible currency at prices unrelated to either the cost of production of the commodity concerned or to the level at which the price of the commodity is supported domestically. \* \* \* We have not been completely successful in preventing all injury, and some of our best friends abroad have apparently been hurt the worst. \* \* \* What I have been trying to say in my statement is that Public Law 480 is not an unmixed blessing; that it does have disadvantages as well as its good points. One of our basic objectives is to keep our relations with other exporting countries on an even keel.

#### HARM TO CANADA, MEXICO, ARGENTINA

There are many examples of injury to friendly countries by our disposal program.

For example, Canada's wheat exports declined from 310 million bushels in 1956 to 260 million bushels in 1957, while United States wheat exports, largely as a result of Public Law 480, were increasing during the same period from 345 million bushels to 550 million bushels. The Canadian Government blames Public Law 480 almost entirely for this damage to its export position.

Again, Mexico's No. 1 export crop, cotton, which constitutes 30 percent of her exports, declined by more than one-third since 1955. Meanwhile, United States exports of cotton under title I of Public Law 480 went from 365,000 bales in 1955 to 845,000 bales in 1956, to 1,051,000 bales in 1957. Mexico's protests have gone unheeded.

A third example is Argentina. Argentina's exports of wheat to Brazil declined from 1,265,278 tons in 1955, to 998,477 in 1956, and 823,261 in 1957. Meanwhile, the United States, spurred by Public Law 480, was increasing its 107,891 tons of wheat exports to Brazil in 1955 to 500,780 in 1956, and 487,448 in 1957. Argentina is naturally disturbed at this displacement.

#### WHAT PUBLIC LAW 480 REALLY SAYS

Instead of warning Congress of the pitfalls of Public Law 480, the Department of State in its official statement before the Senate Committee on Agriculture and Forestry on February 5, 1958, said:

The Department of State is responsible for negotiating Public Law 480, title I, sales and loan agreements with foreign governments. We must insure that the resulting programs are effectively coordinated with other United States activities abroad, that they are in accord with our overall foreign policy objectives, and that surplus sales do not interfere with the normal marketing of the United States and other friendly exporting countries.

This last completely mistakes the law. Public Law 480 does indeed contain a mandate that surplus sales must not interfere with the normal marketings of



the United States. Its predecessor law, section 550 of the Mutual Security Act of 1953, did indeed contain a congressional directive that the President, in negotiating agreements for the sale of surplus commodities, should take reasonable precautions to safeguard the usual marketings, not only of the United States, but of friendly countries. Identical language applying the policy against cannibalism not only to the usual marketings of the United States, but to those of friendly countries, was contained in the bill, which later became Public Law 480, as it was reported out on the floor of the House in 1954. During debate in the House, however, the bill was unfortunately amended to take out this language, and thus to limit the application of brotherly love to ourselves.

If the State Department were doing its job, it would be begging Congress to put into Public Law 480 a provision that the usual marketings of friendly countries must be safeguarded. Instead, it lulls Congress into a state of complacency by representing that the law does contain what it should contain, but in fact does not.

The State Department is not alone in giving the erroneous impression that Public Law 480 safeguards the usual marketings of friendly countries. Secretary of Agriculture Ezra Taft Benson, having heard how we were losing Canada's friendship by our administration of Public Law 480, went up to Winnipeg on May 20, 1958 to explain all to the Winnipeg Chamber of Commerce. Here is what he told the chamber of commerce:

One of the continuing questions that Canada raises regarding United States economic policy has to do with these special export programs. I would like to clarify our position.

Our principal means for expanding consumption of farm products over and above commercial sales is contained in the Agricultural Trade Development and Assistance Act of 1954—commonly called Public Law 480. This law was enacted in recognition of the fact that if our exports were confined to cash-on-the-barrelhead dollar transactions, our surpluses would accumulate in a wasteful manner. Moreover, millions of world consumers in dire need of food would be denied access to our abundance. The act provides for additional ways of transacting business, some of them unorthodox by economic textbook standards. It provides for selling our farm products for foreign currencies. It provides for bartering them for strategic materials. It provides for donations.

But written throughout this program—and I want to emphasize this—are safeguards to protect and to increase commercial marketing.

#### SECRETARY BENSON IN WINNIPEG

The assembled banqueters of the Winnipeg Chamber of Commerce might reasonably have inferred that the commercial marketings protected by good old Public Law 480 included those of friendly countries like Canada. What Secretary Benson neglected to tell his audience was that the protective language applicable to friendly countries such as Canada was amended out of the law back in 1954, from which all the trouble stems. In view of the dependence of the Winnipeg

area on wheat exports, it was perhaps as well for Secretary Benson that he made this slight elision in his speech.

Just a few days before, on May 5, 1958, Mr. Benson's spokesman, Administrator Walter C. Berger, of the Department of Agriculture's Commodity Stabilization Service, told the House Committee on Agriculture that:

I began to find that the barter program was creating in these countries in which we were selling this 70 percent or 80 percent of our materials through out regular exporting channels a competition against our own sales to people who were buying from us for cash. In other words, if we were selling into, using an illustration, West Germany, who has a currency, a very good, sound currency today—if the exporter was selling into Germany, he was selling at a little discount. Now that discount everyone thought at first was merely a discount against our competitors in the other world, the rest of the world, such as in the case of wheat against Canada, the Argentine, Australia. However, it was against ourselves, and as executive vice president of CCC that is when I began to get alarmed.

#### I BEGAN TO GET ALARMED

In other words, a policy of "beggary-neighbor" that hurts Canada, Argentina, or Australia, is a trifle scarcely worthy of notice. But when it hurts our own commercial marketings—well, "that is when I began to get alarmed."

The harm caused by Public Law 480, without an amendment requiring the taking of reasonable precautions to safeguard the usual marketings of friendly countries, is no laughing matter. The Report of the Special Study Mission to Canada, comprising the Honorable Brooks Hays, of Arkansas, and the Honorable Frank M. Coffin, Maine, of the Committee on Foreign Affairs, published on May 22, 1958, found that "there is ample evidence of an erosion in the traditionally excellent relationships between the United States and Canada." Representatives Hays and Coffin, discussing the displacement of normal Canadian wheat exports due to the operations of Public Law 480, said:

During our visit to Canada, concern over this problem was apparent on every side. We have learned that the United States Government has undertaken to reassure the Canadians as to our intentions and as to our practices. Such reassurances, however, are scant solace to the Canadian farmer who has a surplus of wheat on hand. Obviously, if Canadian exports were to grow, concern over this problem would decrease.

There is no doubt that the United States serves a real humanitarian purpose by the furnishing of surplus agricultural commodities abroad. It would seem somewhat hard-hearted to say that we should deprive needy people of food and other assistance because it might disturb a normal commercial channel. On this point the Canadians have no objection. On the other hand, they have a perfectly legitimate grievance to the extent that it can be said that the United States is exporting its own farm problem. In the Canadian view, the way to solve the problem is by some means other than subsidizing United States Government sales abroad."

#### THE HAYS-COFFIN RECOMMENDATIONS

In their recommendations, Representatives Hays and Coffin have this to say:

Prior to and while carrying out the sales for local currencies of surplus agricultural commodities such as wheat to foreign gov-

ernments, the United States should pay particular attention to Canada's interests. In view of her heavy dependence on wheat exports, careful consideration should be given by our Government to the effects of any sales on the Canadian economy. Not only should the executive department proceed with this awareness, but Congress should also realize that a temporary solution of a United States farm problem could create serious problems for Canada. Commercial markets, capable of making payments in dollars, should not be approached through the mechanism of Public Law 480. In short, a certain amount of forbearance is indicated. The possibilities, advantages, and hazards of a joint United States-Canadian wheat marketing corporation should be explored.

These recommendations point clearly to the necessity of amending Public Law 480 so as to require "reasonable precautions so as to avoid displacing usual marketings of friendly countries." Such an amendment will help our relations with not only Canada but with every other exporting country of the free world.

Mr. Speaker, this House cannot afford to ignore the plain evidence that some of the best friends we have in the world are deeply aggrieved by the operation of Public Law 480. It may well be that the State Department has been remiss in not presenting with more vigor the harm done to our foreign policy by the law as it now stands. Its failure to do so is one of the reasons why I am not an unqualified admirer of the State Department.

#### WE SHOULD NOT DISREGARD PROTESTS SIMPLY BECAUSE THEY ARE GENTLEMANLY

Nor should we become complacent because in Canada, Australia, Argentina, New Zealand, Denmark, Mexico, Uruguay, and in other countries hurt by Public Law 480, the protests have been gentlemanly and restrained. God forbid that the only protests against our foreign policy that we are capable of noting are a Vice President spit upon, an Embassy sacked, American servicemen kidnapped.

The stoic attitude of friendly countries hurt by Public Law 480 should not blind us to the dangerous nature of the game we are playing. It is said of the philosopher Epictetus, founder of the stoic creed, that he patiently admonished a cruel neighbor who was maliciously twisting his leg beyond endurance, "If you continue twisting my leg, you will break it." A moment later, as the bone snapped Epictetus turned reproachfully and said, "You see, I told you not to continue twisting my leg."

Mr. Speaker, I hope that we will not allow our friends' forbearance to encourage us to twist their economies to the breaking point.

I sincerely hope that the House Committee on Agriculture in presenting to the House the extension of Public Law 480, will attach an amendment requiring "reasonable precautions to avoid displacing usual marketings of foreign countries."

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legis-







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued July 3, 1958  
For actions of July 2, 1958  
85th-2d, No. 110

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HIGHLIGHTS: House passed mutual security appropriation bill. Senate committee reported bill for research on increased industrial uses of farm products. Sen. Proxmire criticized administration farm policies.

HOUSE

July 2, 1958

1. APPROPRIATIONS. Passed, 253 to 126, without amendment H. R. 13192, the mutual security appropriation bill for 1959. (pp. 11746-81) Rejected, 66 to 133, an amendment by Rep. Canfield which would have provided that none of the funds shall be used to establish textile processing plants in any foreign country. (pp. 11772-78)
2. FARM PROGRAM. The Agriculture Committee ordered reported the following bills:  
(p. D629)
  - S. 3076, to authorize the transportation in the U. S. of live foot-and-mouth disease virus for research purposes.
  - S. 3478, to insure the maintenance of an adequate supply of anti-hog-cholera serum and hog-cholera virus.
  - H. R. 12704, to authorize the use of receipts from the National Forests for general local government purposes as well as for public schools and public roads.
  - H. R. 6542, to authorize the conveyance of certain forest lands to the town of Dayton, Wyo.



3. SMALL BUSINESS. Conferees were appointed on H. R. 7963, to make the Small Business Administration a permanent agency and increase the SBA loan authority. Senate conferees were appointed July 1. p. 11781

The Rules Committee reported a resolution for consideration of S. 3651, to make equity capital and long-term credit more readily available for small business concerns. p. 11795

4. FLOOD CONTROL. Passed without amendment S. 2964, to grant the consent of Congress to a compact between Mass. and Conn. relating to flood control. A similar bill, H. R. 9924, which had been reported earlier by the Public Works Committee (H. Rept. 2105) was tabled. S. 2964 will now be sent to the President. pp. 11784-86, 11796

5. EDUCATION. The Education and Labor Committee ordered reported H. R. 13247, a clean bill in lieu of H. R. 12630, to strengthen the national defense and to encourage and assist in the expansion and improvement of education programs to meet critical national needs. p. D630

A subcommittee of the Education and Labor Committee ordered reported H. R. 13241, to provide assistance to the States for area vocational education programs. p. D630

6. FOREIGN AID; SURPLUS COMMODITIES. Rep. Hill urged early enactment of legislation for the extension of Public Law 480, and inserted a release of this Department announcing agreements with various countries for the disposal of surplus commodities. p. 11792

7. WHEAT; INSECTS. Rep. Hill cited the serious situation caused by the grasshopper infestation in the Great Plains area, and inserted a release by this Department on efforts by the Department and local governments to control the infestation. pp. 11792-93

8. LEGISLATIVE PROGRAM. Rep. McCormack announced that S. 3420, to extend Public Law 480, will be considered under suspension of the rules Mon., July 7, and that the Consent Calendar will be called. He announced that the following bill will be considered later in the week: S. 3683, the area redevelopment bill; H. R. 4504, marketing facilities for perishable commodities; S. 3651, equity capital and long term credit for small businesses; and H. R. 13015, the military construction authorization bill. p. 11779

#### SENATE

9. FARM PROGRAM. Sen. Proxmire criticized the administration's farm policies and urged support for a program of production limitations to grow only what can be sold at a fair price. He inserted an article, "United States Expects Peak In Farm Subsidies--Cost of Program Now Put at 6 Billion, Up 1.4 Billion From Budget Figures." pp. 11695-4

Sen. Sparkman inserted an article on the reduced cotton production and its effect on the South. pp. 11695-6

10. RESEARCH. The Agriculture and Forestry Committee reported an original bill, S. 4100, to provide for the increased use of agricultural products for industrial purposes (S. Rept. 1795). p. 11682

11. APPROPRIATION. The Appropriations Committee reported with amendments H. R. 12858, the civil functions appropriation bill for the Army, certain agencies of the Interior Department, and the TVA for 1959 (S. Rept. 1796). p. 11682



# House of Representatives

WEDNESDAY, JULY 2, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Peter 3: 12: *The eyes of the Lord are over the righteous and His ears are open unto their prayers.*

O thou God of all greatness and goodness, we thank Thee for that memorable day in the calendar of our national history, called Independence Day, which we are soon to celebrate.

May our hearts expand with the spirit of pride and patriotism, of gratitude and renewed consecration, as we contemplate and reflect upon its sacred significance.

We are grateful for the faith and fortitude of our forefathers and all those heroes and patriots who fought so valiantly to make the dream of freedom a blessed reality.

Grant that our beloved country may be inspired and strengthened in its glorious mission of releasing the hidden splendor of humanity and leading all mankind into the radiant light of a new and better day.

Hear us in the name of the Prince of Peace. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 982. An act to amend section 77 (c) (6) of the Bankruptcy Act;

H. R. 10154. An act to empower the Judicial Conference to study and recommend changes in and additions to the rules of practice and procedure in the Federal courts;

H. R. 11861. An act authorizing the city of Chester, Ill., to construct new approaches to and to rereconstruct, repair, or improve the existing approaches to a toll bridge across the Mississippi River at or near Chester, Ill.;

H. R. 11936. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at Brownville, Nebr.;

H. R. 12311. An act to amend the act of September 7, 1950 (relating to the construction of a public airport in or near the District of Columbia), to remove the limitation on the amount authorized to be appropriated for construction;

H. R. 12739. An act to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; and

H. R. 12827. An act to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7963. An act to amend the Small Business Act of 1953, as amended.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. ROBERTSON, Mr. SPARKMAN, Mr. CLARK, Mr. CAPEHART, Mr. BRICKER, and Mr. BENNETT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12948. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. McCLELLAN, Mr. JOHNSON of Texas, Mr. BIBLE, Mr. FREAR, Mr. DIRKSEN, Mr. IVES, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2117. An act directing the Secretary of the Army to transfer certain buildings to the Crow Creek Sioux Indian Tribe;

S. 3177. An act authorizing the modification of the Crisfield Harbor, Md., project in the interest of navigation;

S. 3203. An act relating to minerals on the Wind River Indian Reservation in Wyoming, and for other purposes;

S. 3437. An act authorizing the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge between International Falls, Minn., and Fort Frances, Ontario, Canada;

S. 3499. An act to amend the vessel admeasurement laws relating to water ballast spaces;

S. 3608. An act to revive and reenact the act authorizing the State Highway Commission of the State of Maine to construct, maintain, and operate a free highway bridge between Lubec, Maine, and Campobello Island, New Brunswick, Canada; and

S. 3728. An act to incorporate the Big Brothers of America.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 86. An act to provide for a research program in the field of weather modification to

be conducted by the National Science Foundation, and for other purposes; and

S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed and to deposit such collections to the credit of the appropriation available for administration of the act, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 11451) entitled "An act to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes."

## ADMISSIBILITY OF EVIDENCE—STATEMENTS AND CONFESSIONS

The SPEAKER. The unfinished business is the passage of the bill (H. R. 11477) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes.

The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WALTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 294, nays 79, not voting 57, as follows:

[Roll No. 118]

YEAS—294

Abbott	Beckworth	Byrnes, Wis.
Abernethy	Belcher	Canfield
Adair	Bennett, Fla.	Cannon
Albert	Bennett, Mich.	Carrigg
Alexander	Bentley	Cederberg
Alger	Berry	Chamberlain
Allen, Calif.	Betts	Chelf
Allen, Ill.	Blich	Chenoweth
Anderson	Bolton	Chipperfield
Mont.	Benner	Church
Andrews	Bosch	Clevenger
Arénds	Bow	Coad
Ashmore	Boykin	Collier
Aspinall	Bray	Cooley
Auchincloss	Breeding	Corbett
Avery	Brooks, Tex.	Coudert
Ayres	Broomfield	Cramer
Bailey	Brown, Ga.	Cretella
Baker	Brown, Ohio	Cunningham,
Baldwin	Broyhill	Iowa
Baring	Budge	Cunningham,
Bates	Burleson	Nebr.
Baumhart	Bush	Curtin
Beamer	Byrd	Curtis, Mass.
Becker	Byrne, Ill.	Davis, Ga.



Davis, Tenn.  
 Dawson, Utah  
 Dennison  
 Derounian  
 Devereux  
 Dixon  
 Dorn, N. Y.  
 Dorn, S. C.  
 Dowdy  
 Doyle  
 Durham  
 Dwyer  
 Elliott  
 Engle  
 Everett  
 Evins  
 Fallon  
 Fascell  
 Felghan  
 Fenton  
 Fisher  
 Flood  
 Flynt  
 Fogarty  
 Ford  
 Forrester  
 Fountain  
 Frazier  
 Fulton  
 Garmatz  
 Gary  
 Gathings  
 Gavin  
 George  
 Glenn  
 Grant  
 Gregory  
 Gross  
 Gubser  
 Hagen  
 Hale  
 Haley  
 Harden  
 Hardy  
 Harris  
 Harrison, Nebr.  
 Harrison, Va.  
 Harvey  
 Harden  
 Hemphill  
 Henderson  
 Herlong  
 Heseltun  
 Hess  
 Hiestand  
 Hill  
 Hillings  
 Hoeven  
 Hoffman  
 Holmes  
 Holt  
 Horan  
 Hosmer  
 Huddleston  
 Hull  
 Hyde  
 Ikard  
 Jackson  
 James  
 Jarman  
 Jennings  
 Jensen  
 Johansen  
 Johnson

Jonas  
 Jones, Ala.  
 Judd  
 Kean  
 Keating  
 Kee  
 Kelly, N. Y.  
 Kilday  
 Klignore  
 Kitchin  
 Knox  
 Knutson  
 Krueger  
 Lafore  
 Laird  
 Landrum  
 Lane  
 Lankford  
 Latham  
 LeCompte  
 Lennon  
 Lipscomb  
 Loser  
 McCarthy  
 McCormack  
 McCulloch  
 McDonough  
 McGregor  
 McIntire  
 McMillan  
 McVey  
 MacDonald  
 Mack, Wash.  
 Magnuson  
 Mahon  
 Mailliard  
 Marshall  
 Martin  
 Matthews  
 May  
 Meader  
 Merrow  
 Metcalf  
 Michel  
 Miller, Md.  
 Miller, Nebr.  
 Mills  
 Minshall  
 Mitchell  
 Moore  
 Morano  
 Moulder  
 Mumma  
 Murray  
 Natcher  
 Neal  
 Nicholson  
 Nlmtz  
 Norblad  
 Norrell  
 O'Brien, N. Y.  
 O'Hara, Minn.  
 O'Konski  
 Osmer  
 Ostertag  
 Passman  
 Patman  
 Patterson  
 Pelly  
 Pfost  
 Pillion  
 Poage  
 Poff  
 Polk

## NAYS—79

Addonizio  
 Ashley  
 Barrett  
 Bass, N. H.  
 Boland  
 Bolling  
 Boyle  
 Brown, Mo.  
 Byrne, Pa.  
 Carnahan  
 Celler  
 Clark  
 Coffin  
 Curtis, Mo.  
 Dawson, Ill.  
 Delaney  
 Dellay  
 Dent  
 Denton  
 Diggs  
 Dingell  
 Dollinger  
 Donohue  
 Farbsteln  
 Fino  
 Forand  
 Friedel

Gordon  
 Granahan  
 Green, Oreg.  
 Green, Pa.  
 Griffiths  
 Hays, Ohio  
 Healey  
 Hollifield  
 Holland  
 Holtzman  
 Karsten  
 Keogh  
 King  
 Kluczynski  
 Lesinski  
 Libonati  
 McFar  
 McGovern  
 Machrowicz  
 Mack, Ill.  
 Madden  
 Miller, Calif.  
 Morgan  
 Moss  
 Multer  
 Nix  
 O'Brien, Ill.

Preston  
 Prouty  
 Quile  
 Ray  
 Reece, Tenn.  
 Reed  
 Rees, Kans.  
 Riehlman  
 Riley  
 Roberts  
 Roblson, N. Y.  
 Roblson, Ky.  
 Rogers, Colo.  
 Rogers, Fla.  
 Rogers, Mass.  
 Rutherford  
 Sadlak  
 St. George  
 Saylor  
 Schenck  
 Scherer  
 Schwengel  
 Scott, N. C.  
 Scrivner  
 Scudder  
 Seely-Brown  
 Selden  
 Sheehan  
 Sheppard  
 Sikes  
 Siler  
 Simpson, Ill.  
 Simpson, Pa.  
 Smith, Calif.  
 Smith, Kans.  
 Smith, Miss.  
 Smith, Va.  
 Spence  
 Springer  
 Staggers  
 Stauffer  
 Taber  
 Teague, Calif.  
 Teague, Tex.  
 Tewes  
 Thomas  
 Thompson, La.  
 Thompson, Tex.  
 Thomson, Wyo.  
 Tollefson  
 Tuck  
 Utt  
 Van Peit  
 Van Zandt  
 Vinson  
 Vorys  
 Walter  
 Watts  
 Weaver  
 Westland  
 Wharton  
 Whitener  
 Whitten  
 Widnall  
 Wigglesworth  
 Williams, Miss.  
 Willis  
 Willson, Ind.  
 Winstead  
 Withrow  
 Wolverson  
 Wright  
 Young  
 Younger

O'Hara, Ill.  
 O'Neill  
 Perkins  
 Philbin  
 Porter  
 Price  
 Rabaut  
 Reuss  
 Rhodes, Pa.  
 Rodino  
 Rogers, Tex.  
 Rooney  
 Roosevelt  
 Santangelo  
 Sisk  
 Sullivan  
 Teller  
 Thompson, N. J.  
 Udall  
 Ullman  
 Vanik  
 Wainwright  
 Wier  
 Yates  
 Zelenko

## NOT VOTING—57

Andersen,  
 H. Carl  
 Anfuso  
 Barden  
 Bass, Tenn.  
 Blatnik  
 Boggs  
 Brooks, La.  
 Brownson  
 Buckley  
 Burdick  
 Christopher  
 Colmer  
 Dague  
 Dies  
 Dooley  
 Eberharter  
 Edmondson  
 Frelinghuysen  
 Gray  
 Griffin  
 Gwinn  
 Halleck  
 Haskell  
 Hays, Ark.  
 Jenkins  
 Jones, Mo.  
 Kearney  
 Kearns  
 Kilburn  
 Kirwan  
 McIntosh  
 Mason  
 Miller, N. Y.  
 Montoya  
 Morris  
 Morrison  
 Picher  
 Powell  
 Radwan  
 Rains  
 Rhodes, Ariz.  
 Rivers  
 Robeson, Va.  
 Saund  
 Scott, Pa.  
 Shelley  
 Shuford  
 Sieminski  
 Steed  
 Talle  
 Taylor  
 Thornberry  
 Trimble  
 Vursell  
 Williams, N. Y.  
 Willson, Calif.  
 Zablocki

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Halleck for, with Mr. Eberharter against.

Mr. Kirwan for, with Mr. Buckley against.

Mr. Taylor for, with Mr. Shelley against.

Mr. Rivers for, with Mr. Burdick against.

Mr. Colmer for, with Mr. Anfuso against.

Mr. Miller of New York for, with Mr. Powell against.

Mr. Barden for, with Mr. Radwan against.

Mr. Thornberry for, with Mr. Blatnik against.

Mr. Picher for, with Mr. Sieminski against.

Until further notice:

Mr. Brooks of Louisiana with Mr. Kilburn.

Mr. Zablocki with Mr. Wilson of California.

Mr. Trimble with Mr. Talle.

Mr. Hays of Arkansas with Mr. Scott of Pennsylvania.

Mr. Steed with Mr. Rhodes of Arizona.

Mr. Morrison with Mr. Brownson.

Mr. Dies with Mr. Mason.

Mr. Christopher with Mr. Dooley.

Mr. Bass of Tennessee with Mr. Frelinghuysen.

Mr. Jones of Missouri with Mr. H. Carl Andersen.

Mr. Morris with Mr. Dague.

Mr. Rains with Mr. Kearns.

Mr. Montoya with Mr. Haskell.

Mr. Gray with Mr. Vursell.

Mr. Edmondson with Mr. Griffin.

Mr. Saund with Mr. Kearney.

Mr. Robeson of Virginia with Mr. Jenkins.

Mr. Shuford with Mr. Williams of New York.

Mr. BOLAND changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

## REREFERENCE OF S. 1985

Mr. ENGLE. Mr. Speaker, I ask unanimous consent that the bill S. 1985 be rereferred to the Committee on Public Works, it having been erroneously referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## PERSONAL STATEMENT

Mr. BASS of New Hampshire. Mr. Speaker, on rollcalls Nos. 109, 111, and 112, I was unavoidably absent. Had I been present I would have voted "yea" in all three instances.

## CORRECTION OF ROLLCALLS

Mr. BEAMER. Mr. Speaker, on rollcall No. 115, on July 1, I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and the Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAILLIARD. Mr. Speaker, on rollcall No. 114 on yesterday, I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ZELENKO. Mr. Speaker, on rollcall No. 97, I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and the Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FASCELL. Mr. Speaker, on rollcall 116, I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and the Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## MUTUAL SECURITY APPROPRIATION BILL, 1959

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. MARTIN. Mr. Speaker, if the gentleman will yield, may I ask how much time remains for general debate?

The SPEAKER. The gentleman from New York [Mr. TABER] has used all his time. The gentleman from Louisiana [Mr. PASSMAN] has an hour remaining.

Mr. MARTIN. I thank the Chair.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 13192, with Mr. MILLS in the chair.

The CHAIRMAN. When the committee rose on yesterday, the gentleman from Louisiana [Mr. PASSMAN] had 1 hour remaining. All the time of the gentleman from New York [Mr. TABER] had expired. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, yesterday was the first day of fiscal 1959 and



the paper carried a very alarming news story, and I quote:

More and bigger deficit spending looms ahead for fiscal 1959, bringing with it new inflationary pressure and damaging the prospect for any tax relief next year or soon thereafter.

In a few days the administration will ask Congress to boost the Federal debt ceiling for the second time this session. Some officials indicated a new temporary ceiling of \$290 billion may be sought. The earlier \$5 billion boost brought it to \$280 billion.

The widening gap between income and outgo in the next fiscal year—now estimated by high officials at around \$11 billion, or possibly even \$12 billion—makes substantial new Treasury borrowings inevitable, after high administration officials estimated that a deficit of \$2¼ to \$3 billion will have been rolled up for fiscal 1958 when all the paid bills are counted.

There are 40,561 people engaged in the operation of the mutual security program. The program is operated at the level of approximately \$3.6 billion a year, which means there is an employee for each \$90,000 spent. Witnesses told our committee that this program would continue for at least 10 or 15 years.

We are giving military aid to 11 countries; economic and military aid combined to 30 countries; economic aid only to 22 countries. In addition there are 10 territories which are receiving economic aid. There are 86 nations in the world. We are giving aid to one kind or another to 73 countries and territories. There are 72 nations in the world that owe public debts. The total amount of all these public debts as of a recent date was \$236,490,000,000. As of the same recent date, the public debt of the United States was \$274,900,000,000.

The latest available figures of the national income of the countries of the world show that the total national income of 74 countries is \$515,730,000,000. As of the same date, the national income of the United States was \$358,500,000,000.

We seem to have some sort of an idea in this country that when any problem arises, the way to answer it is to appropriate money and hire a lot of people to travel throughout the world.

There is such a thing as, Can you afford a given program?

I am dubious of the longrange benefits of this worldwide program. I have opposed foreign aid bills and appropriations since 1950 partially because of their effect on our national economy; and it frightens me to think about what the repercussions will be in foreign countries when, through dire necessity, we are forced to discontinue such worldwide spending. I believe these programs will eventually wreck the economy of our country—we may never find a stopping place.

You will note that the amount allocated for the separate countries of the world is classified. The reason why given amounts to given countries is classified, according to testimony before our committee, is the fact that countries are jealous of each other about the amount of aid received. If X country gets more than Y country, then Y country is jealous.

During the past generations, the United States has given to foreign nations in grants, aids, subsidies, loans, gifts, and repudiated loans in excess of \$125 billion. Even though the recipients in foreign lands of this stupendous amount of money have already spent it, let us ever be mindful that the taxpayers of this Nation still owe this debt which must be paid by generations yet unborn.

In my considered judgment we are spreading ourselves too thin. We are attempting to buy friendship and loyalty. If we continue dissipating the wealth of this country, then we may wind up in a worse condition than a great majority of those that we are now helping. If our present rate of grants and gifts continues for too long, there will not be enough ready money available to build a rowboat, let alone a flat-top. It frightens me to think that we have gone so far afield with this worldwide program of trying to buy friends and loyalty.

It has been stated that Russia's Lenin once said, "Just give the United States time and she will spend herself into destruction." I wonder if our arch enemy Khrushchev is thinging the same thing and maybe cooperating in bringing this about?

I want to ask the distinguished chairman of our subcommittee if he has heard from the President of the United States with reference to the program this year as to the amount in the bill.

Mr. PASSMAN. May I state to the distinguished gentleman from Alabama that I have not heard from our President this year, but I did hear from him last year.

I might state also for the purpose of informing the committee that every year since I have been chairman of the subcommittee, just before it is time to report the bill to the floor of the House, our distinguished President issues a statement to the effect that if we do not reinstate the cuts recommended we will wreck the program.

Last year in August, if I remember correctly, just before the bill reached the floor, the President called a meeting at the White House and invited me to attend. Many distinguished Members of the two bodies of the Congress attended the meeting. After they had spoken, it was finally suggested that I make a statement. Believing that our distinguished President would appreciate my sincere opinion, I spoke in a plain manner, just as I would speak to any other American. I indicated to him that his own people had either intentionally or unintentionally, evidently given him erroneous figures and other misinformation. I pointed out that in the military assistance phase of the program alone, \$538,800,000 which the Congress had appropriated for this item had lapsed. The President was obviously amazed to learn this fact and others, as I repeated the figures on item after item, that were verified, then and there, by one of the President's aides.

Then I assured the President that not a member of our subcommittee, including the distinguished former chairman, the gentleman from Virginia, Mr.

VAUGHAN GARY, who had supported the foreign aid program from its inception, would deprive him of the funds necessary to carry out the foreign aid program. To my amazement, the President said that he could not ask for more.

This statement could be verified by our beloved former Speaker; our distinguished colleague from New York, Mr. TABER; our distinguished chairman, Mr. CANNON; our beloved Speaker, and by several of those from the other body.

I can, and do, assure the Members that I am just doing my part in trying to prevent the Congress from abdicating its duties in favor of the Executive, and ignoring the recommendations of a clear majority of a 50-member Appropriations Committee, many members of which have studied this particular program for many years, long before our President ever gave any thought to becoming our Chief Executive.

To ignore the findings and the recommendations of a majority of these Members in this particular case, in my opinion, could be interpreted only as an acceptance of the proposition that the House was willing to abdicate and let the Executive dictate to the Congress.

May I say again that the President was amazed to learn that he had been given such erroneous figures.

Last year, when we went to the White House, the committee had recommended only \$2,524,760,000. That is all. This year your committee is recommending in new appropriations a total of \$3,078,072,000, which will make available in funds for expenditure, with the carryovers, a total of \$3,278,080,500.

If the President fails to issue a statement this year about these cuts, it will be the first time he has not done so since I have been chairman of the committee.

Mr. ANDREWS. I thank the gentleman, and I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. PASSMAN. Mr. Chairman, I yield 13 minutes to the gentleman from North Carolina [Mr. ALEXANDER].

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Chairman, I regret that it is necessary today for me to take issue with the majority of the members of my committee on the merits of the bill we have before us.

As a member of the Subcommittee on Foreign Operations of the House Appropriations Committee I have listened with an open mind to many hours of testimony from those who are for and to those who are opposed to our foreign-aid program. The members of my subcommittee have worked diligently to bring out a bill that would reflect their best judgment on the momentous question before us today.

Mr. Chairman, I can think of no other field more difficult in which to legislate than the area of financial assistance to foreign nations. I would like to take this opportunity to commend the distin-



guished chairman of our subcommittee on the outstanding manner in which he has conducted hearings on the bill we have under consideration. He has made every effort to develop the facts with respect to our far-flung economic aid operations. It has been his purpose and the aim of our subcommittee to bring out a bill that would best serve the interests of the United States during this critical period in the history of the world.

Mr. Chairman, I would like to state that I am not an isolationist. I realize that it is impossible for the United States to wall itself off from the rest of the world. For all practical purposes the age of isolationism ended for the United States when the first American soldier landed in France in 1917. From that time forward, for better or for worse, this country became an integral part of the world community.

There is no way, Mr. Chairman, whereby our Nation can escape its destiny. Like it or not, the problems of the world concern us and tend to shape the course of our history.

I am not unmindful, however, of the tragic situation existing in the world. I am aware of the danger threatening the free world and our cherished institutions. No one has a more sincere desire than I have to see the spread of Russian imperialism halted.

Mr. Chairman, the free world is making a heroic stand against communism. I am not ungrateful for the part our non-Communist friends are playing to save the world from the tyranny of Russian enslavement. I realize the great economic problems confronting our allies and the neutral nations associated with us during this critical period.

I do not believe, however, that the way to overcome communism is by indiscriminate spending of American dollars. I cannot subscribe to the philosophy so widely held in this country that the solution to every problem, foreign, and domestic, is a raid on the United States Treasury.

International friendship does not have a price tag. The security of the United States and the free world must never rest upon our ability to buy friends. Such a doctrine is dangerous and will lead this Nation to economic destruction and ultimately to a loss of our liberty.

Mr. Chairman, the American people were led in the beginning to believe that foreign economic aid would be a temporary policy of our Government. However, year after year they have observed this Nation appropriate ever increasing sums of money without any visible improvement in world conditions. They have watched the relentless march of Russian communism from country to country and have seen American prestige suffer in all parts of the world.

Mr. Chairman, the American people have observed the foreign policy of the United States degenerate into a worldwide WPA sustained by their tax money. They have seen their proud Nation intimidated and in some instances blackmailed in the name of a foreign policy based on a feeble attempt to buy international friendship.

The history of the world does not record an instance of any nation that has been as generous with its resources as has been the United States. Likewise the history of the world does not reveal a country that has squandered so much of its wealth and secured so little in return.

The United States has been a generous benefactor to the world. It is hard for us to comprehend the tremendous sums of money we have spent overseas. The amounts involved stagger the imagination.

From July 1, 1940, to June 30, 1945, this country expended over \$49,223,859,000. This was during the Second World War and it cannot be denied that the defense and security of the United States was not benefited by this spending. Likewise, no one can deny that vast amounts of this money was spent to defend and give economic support to countries now behind the Iron Curtain and dedicated to the destruction of the United States.

Mr. Chairman, in 1945 the United States embarked on our present reckless course of foreign-aid spending. During the past 12 years we have operated without a sense of financial responsibility in international relations. The result has been a tremendous increase in the national debt of the United States and a dangerous increase in inflationary pressures here at home and abroad.

Since July 1, 1945, through June 30, 1957, we have disbursed overseas the staggering sum of \$68,517,296,000, in addition to the billions previously appropriated. My friends, \$60 billion represents more than twice the investment we have in all of the class I railroads in the United States. Class I railroads represent 96 percent of all our railroads and have a total investment of approximately \$30,124,000,000. We provided last year \$3.6 billion in foreign-aid funds for fiscal year 1958.

The bill we have before us will appropriate an additional \$3,078,092,500 in foreign-aid funds.

Mr. Chairman, it is hard for the average person to conceive of the tremendous sums of money we are appropriating for our economic-aid programs. The amounts involved are so great that they are not easily comprehended.

Let us make a few comparisons and by so doing it might be possible for us to realize the magnitude of the appropriation we have under consideration.

Do you know that the \$3 billion we have in this bill is nearly one-half assessed valuation of all real and personal property in North Carolina? The assessed valuation of North Carolina was \$6,479,213,000 in 1956. Do you realize that the \$3 billion in this measure is nearly one-third of the assessed valuation of the city of Chicago? Chicago had an assessed valuation of \$9,433,977,134 in 1956.

The \$3 billion contained in this bill is nearly one-seventh of the assessed valuation of New York City.

Irrespective of the amount if I thought it was being spent wisely and was accomplishing the purpose for

which it was intended, then I could feel better about the program.

The American people have a right to know where this money has been spent and what it has accomplished. At a time when we are calling on our people to carry the heaviest burden of taxation in our history, the Congress has a solemn responsibility to justify foreign-aid expenditures. With the public debt in excess of \$275 billion and in the face of warnings by responsible leaders of this House that our National debt must be raised another \$5 billion or more by next year we should pause today and give serious consideration to the economic security of the United States.

It is no secret that the National debt of this country exceeds the combined national debts of the countries we are attempting to help with our dollars. The 72 principal nations of the world have a combined national debt of \$236,490,000,000 which is approximately \$38.5 billion less than the present public debt of this country.

Mr. Chairman, our foreign-aid spending has been geared through the years to international political expediency. Wherever there has been a problem we could not solve through sound diplomacy we have attempted to buy our way out of our difficulty.

We have failed in this respect and our present ineffective foreign policy is evidence of our failure. In spite of the billions of dollars we have scattered over the world we are without friends overseas and many areas present problems that may explode in armed conflict at any time. A glance at what is taking place in Lebanon and North Africa should be enough to convince us that our dollar diplomacy is not succeeding in those areas.

Our foreign-aid programs have been marked by mismanagement and a failure on our part to understand the social and economic conditions of the countries we have attempted to help.

The Committee on Government Operations, through its Subcommittee on International Operations has made a very fine study of our foreign-aid construction projects.

These projects are in progress all over the world and our dollars are being used to construct bridges, highways, port facilities, housing projects, hydro-electric dams, and countless other internal improvements in foreign countries.

Every Member of this House should study the excellent report issued by the committee. It points up some of the evils inherent in our attempt to solve the world's problems by spending money. Money, I might add, that we do not have in our Treasury, but must borrow from the American people.

The Committee on Government Operations found that the administration of major construction projects by the International Cooperation Administration has been inadequate, indifferent, and incompetent. The committee advises that ICA has let nearly \$1 billion in contracts without clearly formulating standards for their award and administration.



This is just one example of the waste and mismanagement that is characteristic of our foreign aid operations.

Mr. Chairman, not many of us are aware of the huge sums of money given the Communist bloc of countries since World War II. It is shocking to realize that we have given Albania, Czechoslovakia, East Germany, Hungary, Poland, Yugoslavia, and the Soviet Union \$2,252,112,000 in grants and credit since the Second World War. Outright grants or gifts to these nations total \$1,850,497,000 and loans to be repaid amount to \$401,615,000.

Of course none of us are naive enough to believe that all of these loans ever will be repaid.

We must face the harsh fact, however, that our millions have gone to strengthen the economy of these countries. Today they stand opposed to everything we believe in and dedicated to our ultimate destruction.

Mr. Chairman, the \$836 million we have extended to Russia is three times the amount of money we spent to fight the Spanish American War. And I might add that the \$687,920,000 we have given to Communist Yugoslavia is nearly double the amount expended by the United States in the construction of the Panama Canal. That great aid to the commerce of the world cost this country \$380 million.

It is almost unbelievable that the gross foreign aid disbursed and still available for the period July 1, 1940, to June 30, 1958, is almost one-half of all the taxes collected during the first 156 years of the history of our country, January 1, 1792, to January 1, 1948.

Mr. Chairman, I have used comparisons and illustrations throughout this discussion to impress upon my colleagues in this House the size of our foreign aid donations. It is my considered opinion that we have dealt with billions so long that we have lost sight of sound economic principles.

Mr. Chairman, our dollars have been spent all over the world to build plants and factories to compete with basic American industries. Today many Americans are unemployed by reasons of foreign imports manufactured in plants constructed with our foreign aid dollars.

Our textile industry presents a graphic example of an industry fighting for its very existence in the face of foreign competition. Under our foreign aid program millions of dollars have been spent to reconstruct the Japanese textile economy. We have purchased new machinery for their plants and we have made it possible for Japanese mills to buy American cotton cheaper than our own mills.

The result has been widespread unemployment in the American textile industry.

This threat has a very real meaning for the people of the great congressional district I am privileged to represent in the Congress. The Ninth Congressional District of North Carolina is one of the largest textile manufacturing areas in the United States. Thousands of the

people I represent depend for their livelihood on textile employment.

I cannot, therefore, support a program that will take tax dollars of the people I represent and construct plants in foreign countries that will deprive my people of their jobs.

Mr. Chairman, I believe the contents of a recent letter from Mr. Nathaniel Rafier of the International Cooperation Administration, Department of State, to the American Cotton Manufacturers Institute, will illustrate what the American textile industry can expect from foreign aid spending. Mr. Rafier states, and I quote:

Confirming my comments of this morning, I wish to reiterate that ICA is prepared to render many forms of assistance to any one or more of your members who may be interested in establishing textile plants in Indonesia. If any one of them are interested in such an investment we believe it would be preferable for the investment to be in the form of a joint venture with Indonesians so far as the equity is concerned.

ICA would be prepared to make loans from its New Development Loan Fund. We would also be prepared to insure such investments against the political risks of expropriation, inconvertibility of currency, and war damage. Furthermore, we could furnish technical assistance by financing on-the-job training in Indonesia or training here in America for Indonesians in technical and managerial skills.

We might also be able to finance the installation of public facilities such as power, transportation, etc., if not otherwise available near desirable plant sites. These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

Mr. Rafier offers to Indonesians what no American could hope to secure in this country. Is it any wonder that the American textile industry is fighting for survival?

Mr. Chairman, the time has arrived when we should abandon our International WPA programs and adopt a system of assistance geared to the economic, social, and political realities of the present critical period in the history of the world. It does not make sense for the United States to continue to support governments unfriendly to our efforts in behalf of the free world.

India is a prime example of a nation in this category. Under Nehru's socialistic leadership India has consistently opposed in the United Nations the efforts of the United States to lessen world tension. In spite of our efforts to isolate Red China from free world trade India has entered into trade relations with the Chinese Communists. She has negotiated an economic loan with Soviet Russia for internal improvements amounting to approximately \$126 million. In addition, India has accepted financial assistance from Communist Rumania.

The United States on the other hand has extended to India over \$272,500,000 in outright gifts and other forms of assistance. Instead of winning India to the cause of the free world, however, we have put new life into her socialistic economy.

Our efforts to assist Indonesia have met with stiff competition from the

Soviet Union and the Communist bloc of countries. These countries have extended over \$110 million to the Indonesian Republic. The American taxpayer has contributed over \$128 million to Indonesia. Today the country is torn with civil strife and leaning heavily toward communism. The administration did not request any assistance for Indonesia this year. Even Secretary Dulles had to admit before the Appropriations Committee that the situation in Indonesia is somewhat "obscure."

Mr. Chairman, I submit that the situation is obscure, as Secretary Dulles calls it, in more countries than the Indonesian Republic. It is my considered opinion that the best interest of the United States has been obscured through our frantic efforts to win nations to the cause of freedom by way of the United States Treasury.

Money alone will not create international stability. Unless a nation has the will to survive no amount of American aid will guarantee its freedom. We need only to look at the tragic situation prevailing in France to realize that it takes something more than financial assistance for a nation to have peace and internal stability. Although she is one of the richest and most prosperous nations in Europe and has been the recipient of approximately 9 billion dollars in American aid since World War II, France is torn with civil and political strife and is dissipating her resources in a fruitless struggle in North Africa.

France will master her destiny when the French people develop a will to face the realities of life. No amount of American aid will help her cause. The same can be said for many other nations. We have encouraged inflation in many countries by our flood of American dollars. By giving more to one country than to another we have created rivalry and jealousy among our friends. Through an attempt to mold everything to our pattern we have upset the existing order in many nations; created tension and strife and made enemies instead of friends.

Our dollars have gone to support unpopular regimes abroad and in several instances to support dictatorships.

Mr. Chairman, we must have a reappraisal of our foreign aid policy. We cannot keep up our present program of appropriating huge sums of money year after year without seriously damaging the economic stability of the United States. I do not believe it is necessary for me to emphasize that. It is essential for the survival of the free world for this country to remain strong and economically sound.

Our Communist enemies have predicted that we will spend ourselves to destruction. Let us not fulfill this prediction for them. Let us put some sense into our dollar spending.

Mr. PASSMAN. Mr. Chairman, I yield the remainder of the time to the distinguished former chairman of the subcommittee, the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, a few years ago I was requested to deliver a Community Chest speech. I forgot all



about it until just about an hour or so before the time for the delivery. I called my secretary into the office frantically and said, "Will you please look back in the files and see if you can find the outline of the speech I made last year?" In a few minutes she came back and said, "Mr. GARY, I don't think you made any outline last year; I think you just talked out of your head." Now, I am not going to talk out of my head today, but I am going to talk to you for a few minutes out of my heart.

Mr. Chairman, I have had the matter of foreign aid on my heart for many years. I had the privilege of serving as the first chairman of the special committee set up to handle this program. I was very glad to pass those duties on to my distinguished friend from Louisiana a few years later when they made a permanent committee out of it, and I had to make a selection between this committee and another committee, and I selected the chairmanship of the Committee on Post Office and Civil Service. But, I remained on the committee so that I have been a member of this committee since its inception.

Let me say that throughout the years this has been a highly controversial bill. It is highly controversial today. But, it is not a partisan bill. The controversy is not partisan. This program was inaugurated under a Democratic administration. It has been continued under a Republican administration. Nor are the differences of opinion partisan differences. They cross party lines. There are many people who think this program is absolutely useless, and among that number are both Republicans and Democrats. There are many who think we should spend many more billions of dollars on the program than we do.

Just let me read you an extract from the Washington Post of June 24th:

Eric A. Johnston, President Eisenhower's Middle East troubleshooter, called on the United States tonight to seize the cold-war initiative with a 5-year \$10 billion program of the TVA-type economic development projects in the Mid-East, Asia, Africa, and Latin America.

It so happens that Mr. Eric Johnston is a Republican. But, I remember when Mr. Chester Bowles was our Ambassador to India, he called for an expenditure of a billion dollars for India alone. And Mr. Bowles is a Democrat. So this is not a partisan political question.

I, for one, have been a champion of this program from the very beginning. I think it is a vital and an essential part of our national defense. I do not look upon it as a giveaway program in any sense of the word.

Every military expert whom I have ever heard testify has said that it is absolutely essential to the defense of this country for us to retain the periphery islands beginning with the Aleutians, Japan, Korea, Okinawa, Formosa, and the Philippines. It is essential to our own national defense because we have bases on those islands and if we ever have a military emergency we must have bases from which to attack the enemy. On the other hand, if the enemy seizes those islands they can use those bases

with equal effectiveness to attack the mainland of the United States.

It is much cheaper and better in every respect for the Koreans to defend Korea than it is for us to have to send our own armies to Korea to defend it. It is better and cheaper for the Nationalist Chinese Army to defend Formosa than it is for us to send our forces there to defend it. And yet we know that neither the Korean Army nor the Nationalist Chinese Army can function effectively without our help. Without the aid of this country they would be absolutely impotent and would be unable to maintain those islands.

Moreover, the strongest position that this country has today from a military standpoint—and certainly I do not attempt to speak as a military expert; I am merely quoting what military experts have said—our strongest defense today against communism is that we have a ring of bases completely surrounding the Soviet Union. Some of those bases are in Europe and Africa. Do you realize that at every conference that we have had with Russia in recent years to try to get them to agree to anything, the first thing they have said is, "We will agree if you withdraw your forces, your troops." Those bases are absolutely essential to our defense. We might have all of the atomic bombs or hydrogen bombs or any other kind of bombs in the world, but if we cannot drop them on the enemy they are no good to us. If any of them are exploded in this country they will do us more harm than they will the enemy.

So I realize that for the sake of maintaining our military bases we must have certain foreign aid in order to help support the countries in which those bases are located. Although that is true, there is another point on which people differ. There are those who believe that we should drastically cut the military aid and give more aid to the economic development of those countries.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Idaho.

Mr. BUDGE. There is one thing about the foreign-aid appropriations that has always puzzled me. I have checked the unexpended balances in this program each year since I have been a Member of the Congress. Each year I find that there is enough money in the program unexpended to operate it all the way from 18 up to as high as 26 months. I think this year's balance would operate the program at full speed for a period of approximately 19 months without any money's being appropriated.

For all of our domestic programs here in the United States, for the operation, for example, of our veterans' hospitals, for the construction of our own flood-control and irrigation projects, for the building of our roads, we appropriate on a 12-month basis. From the gentleman's broad experience in this field, has he ever heard a good explanation as to why for the foreign countries we should appropriate some 3 years in advance when in our own coun-

try for the same purpose we appropriate for only 1 year?

Mr. GARY. I think the answer to that is very simple. We do have large unexpended balances in our military program, and a large part of this money is military. We all know that in order to get the necessary military equipment, the necessary military installations, you do have to plan ahead. The Congress makes the appropriation but it takes time to advance a project to the point that expenditures are required.

Mr. BUDGE. That would be true as to the military portions, I assume, but as to the nonmilitary items such as the ones I have mentioned in connection with foreign countries, the building of roads and the building of dams, why should we appropriate funds 3 years in advance to be used in foreign countries when we appropriate only 1 year in advance for the same purposes in our own country?

Mr. GARY. Frankly, that is one of the reasons this bill has been cut, because we think in some of these programs we are appropriating too far in advance.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Minnesota.

Mr. JUDD. May I give these facts for the gentleman from Idaho: The Department of Agriculture has an unexpended balance of \$4.5 billion as of June 30, and all the other agencies of our Government, excluding the Defense Department, the Agriculture Department, and mutual security, have \$27.2 billion in unexpended balances. So this same process does apply on a vast scale not only in connection with our defense and of others.

Mr. GARY. It does in some of the departments. Since the supplies, materials, and equipment have to be sent overseas, I think there is justification for a pipeline. I for one would not want to destroy that pipeline. But I think there is such a thing as extending it too far.

Mr. JUDD. The total of unexpended balances is more than \$60 million for all Government agencies, excluding MSA. Thirty-one billion dollars of it is in the Defense Department.

Mr. BUDGE. With respect to these appropriations for the military, I think it is interesting to remember that the Constitution of the United States, a document which each of us has sworn to uphold, specifically provides this among the powers of the Congress of the United States:

To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years.

We are violating that in our appropriations for our own military. We have for some time. I have heard this pipeline argument on all of these expenditures such as I have here enumerated. My guess is that a quadruple amputee in a veterans' hospital in this country would kind of like to feel that he had a 3-year pipeline. Most of the domestic funds to which the gentleman from Minnesota has referred are revolving funds



which are not covered by individual appropriation bills, which is entirely different from the situation which confronts the House today. My point is simply this. Even if we admit the entire foreign-aid program is good, we should certainly not favor the people in the other countries over the people of this country by appropriating for a lead period three times as long as the appropriations for people in our own country. I thank the gentleman for yielding.

Mr. GARY. I thank the gentleman. He is making my speech for me, and I think he is doing it very much better than I could have done it myself. But, that is the point I was going to bring out. I recognize the necessity for the program. I have called attention to the controversial questions involved. There are those who believe that we should not give anything to the military but that we should help on the economic side. There are those who say we should not give anything for economic development, but that we should build up the military. It is my belief that the economic appropriations we make do contribute to the military strength of the countries to which this economic aid goes.

Personally, I do not subscribe to the view that it is a giveaway program. I think the United States is buying security with this program. I look upon this program as a mutual-security program rather than a foreign-aid program.

But, let me say to you that a very great amount of waste and inefficiency has crept into the program. I think some of that waste and inefficiency is unavoidable. I want to be perfectly fair about it. I know it is difficult at this time to get technicians. When you try to give technical aid to foreign countries you have to have technicians who want to go to those countries to work with the program. Any man who is a good technician can get a job in this country without any difficulty at all. Certainly, a man who is well employed in this country would hesitate to give up his job and take his family off to the far corners of the earth where they would not have the advantages that they have here, for the salaries we pay in this program. So what happens? We get two classes of technicians. We get the dedicated person who, like the preacher or the teacher, is not looking for financial gain, but who is trying to better the conditions of the world in which he lives. I have the greatest admiration and respect for that type of individual. God knows we would be in a bad fix if we did not have such people in the world. We do have a great many of them. Some of them have given up very profitable employment in this country and have gone into these foreign fields for the good that they think they can accomplish. But, the other group you get are the technicians who cannot make a living in this country for one reason or another. When you get dedicated men in this program in a particular country, you usually get a good program, but when you get the castoffs from our own industry here, then yet have a bad program. Under these circumstances some inefficiency and waste is unavoidable.

Mr. Chairman, this committee has been exceptionally fortunate because I want to say to you I have never seen a chairman as dedicated to his task as the chairman of our subcommittee. I have never seen a man who has labored as hard to arrive at the facts. He has brought out a great many of the defects of this program. I have never seen a chairman who has conducted a better set of hearings than he has conducted on this bill. We sat for 8 weeks, day after day, laboring throughout the day in an effort to learn about this program. I say to you, no chairman has ever brought a bill to the floor of this House who knew more about the details of it and knew more about the agencies which it covered than the chairman of our subcommittee, the gentleman from Louisiana [Mr. PASSMAN]. He has done a magnificent job and the entire Nation is indebted to him. He has tried to point out to this body, where the defects are.

We need this program, and yet when we consider the national defense there is one thing that we cannot overlook, and that is the fiscal strength of our Nation. No bankrupt nation can defend itself, and if we are going to be militarily strong we must be fiscally strong.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to inquire of the distinguished gentleman if he thinks the Congress can justify authorizing appropriations from 3 to 5 years in advance to build school buildings abroad and still deny approving a single dollar for our outmoded school system.

Mr. GARY. That is a matter that Members will have to decide.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CHELF. The gentleman is making a very interesting and informative argument, as always. The gentleman came here to the House about the same time that I did and we have long been supporters of this program. I supported it every year except last year, when I felt in my heart I had to vote a protest "no." This was done because the other body increased the House's figure by approximately \$200 million.

Let me ask the gentleman: It has been stated in the papers this morning and yesterday that there are those in the executive branch of the Government who say that if this \$600 million is cut America is going to be in real bad shape; that it will endanger our security. Does the gentleman feel that way about it?

Mr. GARY. I certainly do not. And if I felt that way about it I would not be standing here making this argument at this time.

Let me say this: I have been in both branches of Government. I served at one time in the administrative branch of my State government. I have always said that I do not criticize the head of a department who thinks he needs a lot of money for his department. In my

opinion any man who is head of a department of the Government who does not feel that it is the most important partment of the Government, does not feel that he can do a better job if they give him more money, ought to be fired, because he is a man who is just sitting and coasting. He is not an aggressive type. But they make their requests to the legislative branch, and that is the reason we have a legislative branch. It is our duty to take the money we have and disburse it among the departments so that it will do the most good. I have never seen a man in the administrative branch of the Government who did not have an exaggerated idea of the needs of his department. I do not criticize him for it. I praise him for it. But when it comes to us, we must be realistic.

Mr. CHELF. I know the gentleman's thinking is clear, sound, and logical. I know and the House knows that it is sincere.

Mr. GARY. I thank the gentleman.

Mr. CHELF. If I may proceed further, the thing that concerns me about this particular bill today and the appropriation therefor is the fact that when we stop to consider it—there are 83 countries in the world that have some form of government, and of that number 73 either directly or indirectly are dependent on us—the United States of America, for sustenance and support. If we are going to be the good fellow, the good samaritan, and are going to help all our friends and neighbors on the block by inviting them into our house to the exclusion of our own family, we will wind up with our home filled with the neighbors and our own family out in the cold in the back yard.

Mr. GARY. They may eat us out of house and home.

Mr. CHELF. The time I think has come when all Europe and many other countries of the world plead that they are broke; they know it; they admit it; they are constantly asking for help. The United States of America is broke—does not know it; cannot therefor admit it—and we are spending money like a Bowery bum in his drunken dreams. We simply cannot continue to support the entire world under the cry of emergency. I am for these cuts. If they are supported by this committee I shall vote for the appropriation—otherwise—I shall not.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I gladly yield to my distinguished colleague who is a member of our subcommittee.

Mr. DENTON. The gentleman and I have served together 4 years on this committee and have been through these experiences with budget requests and authorizations. The request comes to the legislative committee and it makes an authorization. If it is below the budget request then the cry goes up that the security credit of the United States is in danger. Then it goes before the Committee on Appropriations and if there is any cut predictions of dire consequences are made. Then it goes to the Senate and probably the other body restores at least part of the funds and a



compromise is made in consequence, but the following year we find they have not spent all the money that is appropriated. Does it not seem like a case of "Here we go again"?

Mr. GARY. Yes. I hold in my hands here a number of cards on which are written the statements of high government officials as to the dire consequences that would follow if the cuts we recommended in 1956 for fiscal 1957 were allowed to stand; yet at the end of 1957 there was a balance of \$560 million-odd which they could not even obligate.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. PASSMAN. Does the gentleman think that with a new appropriation and the unexpended balances there are sufficient funds in this bill to carry out the program adequately?

Mr. GARY. I most assuredly do and I am going to cover that in just a minute. My time is almost up, but I just want to call attention briefly to this fiscal situation.

We have a Federal debt of \$275 billion. Do not ask me to tell you how much that is, because I do not think the mind of man can conceive that amount of money; but let me say this to you, I well remember before World War II when our debt was about \$30 billion there was an argument among the economists as to how much debt this country could stand. Some bold economist said we could stand a debt of \$50 billion. All the rest jumped on him and said that a debt of \$50 billion would ruin this country.

Then the war broke out and we could not bother about the public debt; we began to make larger and larger expenditures, because we had to win the war.

Today instead of a \$50 billion debt, it is \$275 billion. Are we reducing it? Oh, no. The estimate is that at the end of the fiscal year, which ended yesterday, we had a deficit of at least \$3 billion; and the estimated deficit for this fiscal year is between \$10 billion and \$12 billion.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. ANDREWS. The gentleman is familiar with the matter. I wish he would tell us what the interest on the public debt amounts to at the present time.

Mr. GARY. The interest on the Federal debt is estimated at \$7,869,000,000 for the fiscal year 1959. This is more than was required to run the entire Government some 25 years ago.

Mr. ANDREWS. Is it not correct that that is the second biggest item of expense this Nation has, interest on the public debt?

Mr. GARY. It is.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Kentucky.

Mr. CHELF. In other words, our debt compared with the debt of all of the rest of the world combined exceeds the latter by \$39 billion?

Mr. GARY. Yes.

Mr. CHELF. Which makes it appear to me that we are spending money that we do not have—on people that we do not know—trying to impress people that hate our insides—such as Russia and her satellites. We have spent or given away since 1940 over \$135 billion and we are still at it. How long can we keep this up without spending ourselves into bankruptcy? We owe \$275 billion, more than all the rest of the world added together and yet we keep it up. Isn't that what Stalin predicted that we would do? Spend ourselves out and then he could take over without firing a single shot?

Mr. GROSS. We have received a marching order from the White House. I do not believe the gentleman has seen it yet. It is stated in this message in the nature of marching orders:

Needed financial reserves have sunk below the safe minimum. In spite of this danger signal, the House Appropriations Committee has taken action that seriously endangers our security.

This is taking reckless risks with our safety.

Does the gentleman agree with that statement?

Mr. GARY. I certainly do not agree with that and I wish that the President instead of telling the Congress what it should do on this program would tell the Cuban gangster rebels that if they do not return the American captives they are holding within 24 hours they will suffer dire consequences.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not true that the President has been issuing similar statements every year about the time this bill comes to the floor for consideration?

Mr. GARY. That is true.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. The gentleman was talking about the monumental size of the debt of \$270 billion and that he could not comprehend such an enormous figure. I merely want to call the gentleman's attention to the fact that a million dollars is a thousand thousand dollars and a billion dollars is a thousand million dollars. We owe \$275,000,000,000 that somebody by the sweat of their brow must produce the money to pay the taxes to pay the debt if it is ever paid. Even if we paid it at \$3 billion a year it would take 75 to 100 years to pay it off. So what a legacy we are leaving to the generations of Americans who follow.

Mr. GARY. I agree with the gentleman thoroughly.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Michigan.

Mr. JOHANSEN. This same statement by the President states that the reductions contemplated by the committee will encourage Communist imperialists. I wonder if the gentleman would comment on that statement?

Mr. GARY. Well, I would like to have an elaboration of it. I would like to know how it would encourage them. I know of no way we can encourage communism by reducing to a realistic figure the amounts in this program. No one is more opposed to communism than I am and if I thought for a minute we were encouraging communism by making these cuts, I would be here asking that they be restored.

Mr. JOHANSEN. Does the gentleman feel it contributes to the Congress meeting its responsibility to be put in the position of contributing to the Communists because we undertake to do that very thing?

Mr. GARY. I do not think so.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Ohio.

Mr. BOW. On the question of communism, it seems to me the statement made yesterday by the gentleman from Ohio [Mr. VORVY], on the question of the Development Fund business, where they attempt to get textile mills to go to Indonesia, is significant. The gentleman from Ohio said that the United States had suffered.

Well, I will tell you what happened. We are no longer in Indonesia. Indonesia has accepted the Chinese Communist offer.

That is after the United States had already spent \$73 million in economic aid in Indonesia. The first time they do not get what they have asked for they turn to the Communists. I do not think the \$73 million that we spent in Indonesia has prevented us from having some Communist infiltration.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is it not almost unprecedented for a President to send a message such as this one to the floor of the House such a short time, in this case only about 5 minutes, before we begin reading the bill for amendment?

Mr. GARY. I have not seen the statement. I do not know what it is.

Mr. PASSMAN. The statement for all Members, from the President, just reached the floor of the House from the White House. Is that not almost a precedent?

Mr. GARY. So far as I know, it is.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I would just like to refresh the gentleman's memory. The President has sent up several messages which I have read to the House myself, so I know it is not a precedent.

Mr. GARY. It seems to me that I do recall that he sent one in 1956 and told us if we cut the program at that time, that we would wreck it. We cut it, and still they come back with a balance of five-hundred-and-sixty-some-odd-million dollars that they could not even obligate.

Now, just one final word. Let me say this. You would think from the argu-



ments that we have had here on the floor that we have cut out this entire program. Nobody has stressed the appropriations that we are recommending. Do you know how much this bill carries? It carries new money—now this is entirely new funds—in the amount of \$3,078,092,500, and there is in the pipeline \$5,199,992,000, which makes a total of \$8,278,084,500 available for expenditure during the fiscal year 1959.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired. The Clerk will read the bill for amendment.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. The rules of the House, as I understand, require that the bill be read word for word.

The CHAIRMAN. The gentleman is correct.

Mr. TABER. I ask that the Clerk be instructed to do so.

The CHAIRMAN. The Clerk will read the bill in accordance with the rules of the House.

The Clerk read as follows:

*Be it enacted, etc.,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1959, namely:

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during the debate this year on this bill there has been more emphasis than in any previous year on the serious fiscal condition of the United States, the size of our national debt, the dangers to the stability of our currency, the possibility, even probability, that if our expenditures and our debt continue to increase it will lead, as the gentleman from Louisiana said yesterday, to an eventual repudiation of our debt or of our grandchildren being required to pay our bills for us. Nobody agrees with that concern more than I do, and those of us who are supporting a larger appropriation for this program.

The implication is generally given that if we will just cut down these expenditures for mutual security we can cut down our total Government expenditures accordingly. This is the point where many of us find ourselves in disagreement with very good friends like the gentleman from Louisiana [Mr. PASSMAN], and the gentleman from Virginia [Mr. GARY]. Is the implication justified? Is it a fact that if we cut these expenditures below the point where they would achieve the objectives that the gentleman from Virginia has just so eloquently and so convincingly presented, it will permit a decrease in the total expenditures of the Federal Government and, therefore, a decrease in our national debt and a bettering of our fiscal situation?

I do not believe so. In fact, I am sure that to cut this program too severely will produce the opposite result. It will require us to increase our total defense expenditures, increase our national debt, and increase the danger of the very thing they have been holding up before us as the fearful specter that it is.

Because, what is the alternative to this program and would that alternative be cheaper?

When it is said that to continue spending so much may lead to these dire consequences, that is true; nobody denies it. But the big question is, Will we avoid those consequences by retaining these cuts in mutual security? Will it permit us to spend less in the end? Will we reduce our total expenditures by cutting these funds as deeply as the Committee on Appropriations has cut them in the bill that is before us? Many of us do not think so. On the contrary, we think that these cuts are too deep and that they will not save us money in the end. If these countries that we are helping are weakened so that they cannot defend themselves against Communist pressures from without and from within, or if they lose heart and their will to do their best to defend themselves, then we will have to spend so much more for our own Defense Establishment that the supposed savings made by the cuts in this bill will prove insignificant indeed.

So, Mr. Chairman, when we support larger appropriations for certain portions of this program, it is not because we are indifferent to the fiscal problems of the United States Government; it is not because we are willing to be reckless and careless with the people's money and our Nation's economic strength; rather, it is just because we are deeply concerned about the fiscal solvency of our country, it is because we want to prevent repudiation of our national debt and depreciation of our currency and leaving our older people who are on fixed incomes inadequately provided for because their dollars have been so cheapened. It is precisely because we want our economy to be strong and to be sound and to get ourselves into a position where we can cut down these awful expenditures for our own defense, that we do not want to cut the appropriations for this program to a degree that we fear may endanger our security and endanger our fiscal solvency. We think that would be playing fast and loose with the Nation's safety and welfare.

We believe this program offers the way to get most security for the least cost—and therefore we urge full appropriations—not in disregard of the danger signals, but because of them.

If we appropriate more than is needed, what damage is done? The gentleman from Louisiana, the chairman of the subcommittee, dwelt at length yesterday on the fact that the agency came back 2 years ago with \$538 million that it had not obligated at the end of the year. He was greatly disturbed by that. I was greatly pleased by it. I thought that it showed that we were entitled to have more confidence, not less, in those who are managing this program.

Is it not better to have more money available to the President for this purpose, in case it should prove necessary? If it is not needed, they do not spend it, by the gentleman's own statement. What injury was done to the United States by appropriating more funds in fiscal 1956 than events proved neces-

sary? The funds were not used or even drawn out of the Treasury. They came back at the end of the year and said:

What you gave us was more than we needed. It was not more than we thought we needed, but, as it turned out, there were no emergencies of the sort that we feared and that we have had in other years. We did not need it, and so we have \$538 million that we are turning back.

I do not see any injury to my country from that. I see great gain. And, therefore, I would rather err on the side of approving the amounts that have been authorized in the bill passed by this House and by the other House and I presume now signed by the President. I would rather go ahead with those amounts, confident that the gentleman's committee and our committee will ride herd on this program, will keep their feet to the fire and will do our best to prevent any greater waste and inefficiency than is inescapable in a program of this sort, operating with all kinds of people, in all stages of development, in all parts of the world. If we go ahead that way, we will, in the long run, save money. The real way to save money is to help this program succeed. To let it fail is the way that will cost us the most money in the end.

It frightens me to think what may happen to the size of the United States Government's budget and to its fiscal strength if these supposed savings are kept in the final bill, and the funds provided prove inadequate for keeping the free world free. It frightens me even more to think what may happen to our country's security.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Clerk read as follows:

#### MUTUAL SECURITY

##### *Funds appropriated to the President*

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended, to remain available until June 30, 1959 unless otherwise specified herein, as follows.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that I have to resort to this rather unusual method of getting a little time, but there have been a good many unusual things in this debate this year. Yesterday was the first time in my 16 years in the House that I have seen the time for general debate handled in such a way that it was not evenly used by the two sides.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a correction?

Mr. JUDD. I am glad to yield.

Mr. PASSMAN. Does the gentleman realize that the Chairman who is handling the time on this side yielded part of his own time to the minority Members, so that they would have more time?

Mr. JUDD. Yes. I realize that and I am grateful to the gentleman. I thought, however, it was a little unusual to have one side save up a whole hour of time for a second day of debate while the other side was using all of its time. Maybe that has happened before, but I think it is a precedent.



Mr. PASSMAN. That is the way the gentleman on the other side wanted it, and I was agreeable to it. They just kept on talking.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. TABER. We used our time after we had been told that they had no speakers available.

Mr. JUDD. And as I recall there were several occasions when the gentleman from New York [Mr. TABER] asked the chairman of the subcommittee if his side wanted to use any time, and my recollection is that he said that he did not care to use his time so we went ahead with all of our time.

Mr. PASSMAN. What I said was that the next speaker was not available. That is what I said. The gentlemen on the other side were using the delaying tactics all day, not the gentleman on this side.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I would suggest that the gentleman abandon this sort of debate and proceed with his remarks on the pending bill.

Mr. JUDD. Probably that is good advice. I did not make my comment in order to start a debate.

Mr. Chairman, I took this additional time in order to amplify my contention that to cut this program is more likely to increase than to decrease the total expenditures of our Government. One of the many awful dilemmas we face in the conduct of our foreign relations is this: On one hand, we know down deep that we cannot long stay solvent, free and secure here in America if the rest of the world is taken over piece by piece by an enemy dedicated to our destruction.

On the other hand, how can we help the rest of the world resist being taken over if we become weakened here at home? This is a question every Member of the House has to answer on the basis of his estimate of the nature and the seriousness of the threats to our country. What is the right amount that will give us most security for the money spent? If we give more than the right amount, we will weaken ourselves more than we will strengthen our allies. If we give less, then we will weaken them more than we strengthen ourselves by the money we seek to save. And it will cost us far more in the end.

I believe that we are at a crisis in this world struggle. I said almost 2 years ago that I thought the Communists would do their best to get a small war going somewhere, probably in the Middle East. At that time it looked as if they might get such a war between the Arab countries and Israel. Fortunately the United Nations Expeditionary Force went in, kept the forces apart, and that threat has diminished.

Now, the Communists are doing their best to get a war going in or involving Lebanon. They do not care who starts it or on what pretext. If they can get a brush-fire war going that ties us up there, then I shall be surprised if there are not

some other wars—perhaps three—touched off fairly quickly. For instance, North Korea is ready under such circumstances to open up against South Korea. It now has the capacity. And Red China can open up against Taiwan. There was a hint or threat of that in a statement from Peiping as recently as 2 days ago. Then, there could well be North Vietnam against South Vietnam, or Laos. This would give us 4 separate wars on our hands at 1 time.

What would be our possible courses, and the cost of each alternative? Could we support each of those four wars at the same time? If not, which country shall we let go? Korea? Then what happens to Japan?

If we let Taiwan go, what happens to the Philippines and our whole western Pacific defense system.

If we let Vietnam go, with it will soon go all of southeast Asia, with its oil, rubber, tin, rice surpluses, and so on.

Shall we let Lebanon, Jordan, and Iraq go? Or Israel? How much will be left in the free world of that absolutely vital Middle and Near East strategic area? Then we would really be over the barrel. What would our budget look like then?

Suppose we cannot support 3 or 4 such wars? Then do we resist by all-out war with the Soviet bloc, and cut loose with our Strategic Air Force? In that case, the bombs and missiles will not fall solely on Russia. Some of them will land in our country. What would that cost us in money—not to mention lives?

Surely this mutual security program is the better course to follow. We should do all we can to help threatened countries become strong enough so that their own forces can do most of the fighting for their survival, if they cannot deter the conflict. We should not, by cutting our aid too drastically, run the risk of weakening the will, the hopes, and the capacities of those peoples to defend themselves.

Again this year it has been said that we are trying to buy friendship and loyalty. No, we are not. It is not possible to buy friendship and loyalty, in international relations any more than in personal relations. We are trying to give to those countries that have the desire and the will to defend their independence, the capacity to defend their independence, that is all. If they do not have the capacity to defend their own independence, we are going to have to do it for them, in some cases, at infinitely greater expense to ourselves. Some of them are so important that we simply cannot afford to let them be taken over by the enemy. These are the considerations that force me to question the statement made so frequently that we cannot afford this program. In reality, we cannot afford not to have it, because any other alternative would be far more costly.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Does the gentleman desire additional time?

Mr. JUDD. I will take some more time later.

The Clerk read as follows:

Defense support: For assistance authorized by section 131 (b), \$700,000,000.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: On page 2, line 10, strike out "\$700,000,000" and insert "\$775,000,000."

(Mr. FORD asked and was given permission to revise and extend his remarks.)

Mr. FORD. Mr. Chairman, this is the exact amendment offered in the full committee of the House Committee on Appropriations by the distinguished gentleman from New York [Mr. ROONEY]. It was defeated in the full committee by a vote of 26 to 20. I think it should be pointed out in the defense support part of this bill, and this amendment refers to the defense support portion, that there are no unobligated balances as of the end of June 30, 1958. This is the first time that there have been no such unobligated balances, to my recollection.

It should be pointed out that in this account the unexpended balances have been considerably reduced in the last several years. In fact, in a 2-year period the unexpended balances have been reduced over \$330 million. This is a 30 percent cut in the unexpended balances in a 24-month period. It should be further stated that even with this amendment, which is an increase of \$75 million, the figure will be \$65 million less than what the President recommended in the first instance at the beginning of this session. If this amendment is approved, the total will be \$35 million less than the authorization figure contained in the bill or in the conference report which we approved several days ago.

The inference has been left with the committee in the last several days that the committee's recommendation of \$700 million was a carefully selected, highly scientific decision as to the amount of money that would carry on this program adequately for the next 12 months. The fact is that at no time in the markup of the bill in the subcommittee was there any breakdown showing precisely how the figure of \$700 million was justified. It was a figure selected, I am sure, in good faith, but it had no relationship to the facts and the figures, program by program, country by country. I am not criticising the selection of that figure on that basis.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. GARY. Was there any breakdown and enumeration in the budget estimate as to how they were to spend the \$835 million that they requested?

Mr. FORD. I think, if the gentleman will look, as I am sure he has because he has been diligent and conscientious in his responsibility in these matters, that in the justification books there was a breakdown country by country and project by project.



Mr. GARY. Country by country but not project by project.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. FORD. I yield.

Mr. ROONEY. The country figures were classified; were they not? Therefore, they may not be discussed here on the floor. However, the list of countries, all of which are on the Sino-Soviet border, may be divulged.

Mr. FORD. That is correct. But, there was a country by country breakdown and there were breakdowns within countries as to the type of areas in which the money would be spent. I only say this, that this justification in the justification book was much more precise and scientific, if we wish to use the word, than the mere selection of \$700 million rather than \$835 million.

The point I want to make is, and I reemphasize it, the inference is that the figure of \$700 million was completely scientific and the implication is that anybody who disagreed with that figure was irresponsible. The facts are that it is a matter of judgment. It is a matter of judgment on the part of the executive branch when they selected their figure and they had some carefully worked out justifications. It is a matter of judgment on the part of the subcommittee whether they use the \$700 million figure or something else. And I personally think it is unfair even by inference to accuse as irresponsible those who disagree with that figure as a fact their figure was not a carefully determined figure but in reality something pulled out of the hat.

It is a matter of judgment for each and every member of this committee to decide upon at this point.

Now, the crux of the thing is precisely this: It was well explained yesterday that the defense support program involves economic assistance to 12 countries, countries which are vitally important in our effort to contain Communist imperialism.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Ford] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I ask unanimous consent that the gentleman be granted 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. NICHOLSON. Reserving the right to object, I am not going to object until the gentleman is through. When he is through I am going to object.

The CHAIRMAN. Is there objection? There was no objection.

Mr. FORD. Let us take the four of the countries involved, these are the four which get the major share of these funds. Take Spain, for example. If the committee's recommendation prevails, it is very probable and highly likely that the funds programed for Spain will be cut \$10 million. What impact does that have on our own security? At the present time we have three United States military installations of vital significance in Spain. We have two strategic air force bases and one naval air force base. During this fiscal year over 10,000 American soldiers, sailors, and airmen will be

stationed in that country, manning those facilities. Spain itself has 500,000 men under arms, alined with the free world. If economic conditions in Spain deteriorate, it will have an unsalutary effect on our own military facilities in Spain, and certainly will cause trouble in the maintenance of the Spanish military force itself.

Let us take another country, Turkey. If the figure contained in this bill stands, there probably will be a reduction of \$15 million in defense support funds for Turkey. What would be the impact on Turkey? We are all familiar with the fact that the Turkish military forces are approximately 550,000. We know that Turkey is alined with us in the NATO organization. We know that Turkey is a part of the Baghdad Pact. Both of those organizations are closely alined with our own military security.

We also know that the only means by which we can readily and accurately detect the missile and satellite development in the Soviet Union is by the continued operation of the United States military installation in Turkey that tells us precisely and quickly how and when Soviet satellite and missile launchings are made. Do we want to jeopardize the economic conditions in Turkey which would have an immediate adverse impact on the military conditions in Turkey, which are closely aligned with our own? I do not want to lose the only place we can detect Soviet Union satellite developments. I do not want to lose the aid and assistance of Turkey for our own military security.

Let us take the situation in free China. If the cuts contained in this bill are sustained, it is probable that the funds allocated to free China will be reduced \$20 million in this current fiscal year. The Formosa forces are now approximately 600,000. They are an anchor for us, the free world, against any further aggression by the Chinese Communists. If economic conditions in Formosa deteriorate, obviously the military potency of those forces will be drastically jeopardized. It seems foolhardy to me that for the sum of \$75 million we would gamble this military strength, from our own point of view.

Let us take the case of South Korea. I discussed it at some length yesterday, but if the committee figure in defense support remains as it is, it is highly likely that the defense support fund for South Korea will, of necessity, be cut \$35 million. South Korea has an army, navy, and air force of approximately 700,000. South Korean forces in the last 12 months have been reduced from 20 armed divisions to 17. If this reduction in this area is sustained, it is almost inevitable that the armed force of the South Korean Republic would be reduced from 17 to 14.

It seems to me that the committee figure is less than the finger-in-the-dike situation. It seems to me this amendment is absolutely essential for our own security.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. ROONEY. Mr. Chairman, I ask unanimous consent that the distin-

guished gentleman from Michigan may proceed for 2 additional minutes.

Mr. MARTIN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be allowed to proceed for 5 minutes.

Mr. NICHOLSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NICHOLSON. What is the pending request?

The CHAIRMAN. The gentleman from Massachusetts [Mr. MARTIN] has asked unanimous consent that the gentleman from Michigan may proceed for 5 additional minutes.

Mr. MARTIN. The gentleman from Michigan is the author of the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Michigan is recognized for 5 additional minutes.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Michigan yield briefly?

Mr. FORD. May I say just this: I am very appreciative of the consideration by the Committee. I think it is important. I did not ask for the additional time, I am just very grateful for your indulgence on a most important matter.

I will be glad to yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I should like to call the attention of the Committee of the Whole to the fact that a statement on the pending bill was issued this morning by President Eisenhower and it reads as follows:

#### STATEMENT BY THE PRESIDENT

I have a special statement to make on America's security and on waging peace. The free nations of the world are under constant attack by international communism. This attack is planned on a broad front and carefully directed. Its ultimate goal is world domination.

Against the pressures of international communism, free world security can be achieved only by a practical solidarity of opposition by the nations each, according to its ability, carrying its necessary portion of the entire burden.

This is what mutual security really means.

To support this program, started a decade ago, the American people have given needed assistance to others. As a direct consequence, during recent years the free world has been able to deny any new territorial expansion to communism.

In spite of occasional human errors in administering the details of the program, the overall results speak for themselves. The aggressive purposes of the Kremlin have been foiled, and there has been gradually developed in the free world a greater spiritual, economic and military strength as a foundation for efforts to win a just peace.

Now, needed financial reserves have sunk below the safe minimum. In spite of this danger signal, the House Appropriations Committee has taken action that seriously endangers our security. We need more ammunition to wage the peace.

A careful estimate of this year's needs was made after prolonged study. It fixed the necessary total at approximately \$3,900,000,000. The sum proposed by the Appropri-



ations Committee is more than 20 percent lower than the estimates.

This is taking reckless risks with our safety.

The cut will dismay our friends in Latin America, in Asia, in Africa, and in the Middle East—every nation that is standing at our side in this worldwide effort.

It is my deep conviction that reductions of a size contemplated by the committee will have grave consequences in portions of the free world, and to our Nation's security—and will encourage Communist imperialists. Our people must understand this.

Regardless of the many and mounting billions that we spend for our own military forces, those forces cannot alone achieve our security. Friendly nations must be ready and able to stand by our side to present a solid front in the defense of freedom.

We have this choice:

Stand up and be counted, live up to our ideals and purposes, and assume the responsibilities that are ours;

Or, shrug our shoulders, say that freedom for others has no significance for us, is therefore no responsibility of ours, and so let international communism gain the ultimate victory.

The choice is clear for me.

I stand for American security, to be attained and sustained by cooperation with our friends of the free world. I am certain the American people will demand nothing less.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SPRINGER. Along the line the gentleman has just pointed out with reference to Spain, I want to call attention to the fact that in our bases in Spain we have in excess of \$400 million invested. Spain is the only country I know of, with the possible exception of Turkey, where, in case of attack by the Soviet Union, retaliation can be made. They have given permission for us to proceed without the consent of the Government in any retaliatory tactics we feel necessary to defend the Western World.

It would seem to me that is of some real importance. If we have this much money invested in this project in Spain are we now going to refuse to supply sufficient funds to keep their economy going or to enable them to keep up their own defenses and cooperate with us even in the defense of Spain itself?

Mr. FORD. Supplementing what the gentleman from Illinois has said, our Air Force bases and Navy installations in Spain are the only military installations available to us or our allies in Europe which are outside of the perimeter of the Soviet missiles which are in existence today.

It seems to me that it is of vital importance that we maintain the integrity of these installations, just as we should maintain the integrity of the military forces in Spain, just as we should maintain the integrity of the missile satellite-detecting installations that we have in Turkey, just as we must maintain for our own security the military strength in the geographical position of Formosa and just as we must maintain the maximum military strength possible in South Korea.

It seems to me that if we make any reductions below \$775 million in this particular defense-support program, we are

taking a terrifically serious calculated risk against our own best interests.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. SIKES. I recall that it has not been but a few weeks since the gentleman spoke very strongly against providing additional military funds so that our own forces would be stronger throughout the world. Now we all want to strengthen our allies, and we want these to add to their own strength through their own efforts, but the facts are we have been called upon to use our own forces in every case where our allies and our policies have not met defeat. Is not the gentleman a little bit at cross purposes with his former stand?

Mr. FORD. I will say to the gentleman that I would rather provide the funds here to have the South Koreans help us and our allies do the job than to have additional American boys put into the United States Army and sent 8,000 miles overseas. For the same reason I think it is highly important that we help other countries because they are willing to put their men in arms to work with us, to fight with us, to protect the free world. For the same reason I think we should aid and assist Turkey because they are willing to put up a financial contribution as well as a manpower contribution to protect every country in the free world, including ourselves.

It seems to me that we can do that job both as to dollars and as to United States manpower cheaper if we have staunch and steadfast allies rather than expect us to do the whole job. I deeply feel this amendment is essential to our United States national security.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. Ford].

I should like to call the attention of the Members of the House, particularly my good friends on the other side of the aisle, to some words spoken in February this year by a man you have followed many, many years in this whole program calling for mutual aid in adequate amounts. I can make this statement in the utmost good faith for the very simple reason that I, a minority Member of the House, quite some years ago voted for the Marshall plan and the Greek-Turkish loan programs, when a President of the United States, not a member of my party, advocated this program for our security. I believed then in the program. I still believe the defense-support program to be vitally necessary.

I call your attention to this speech because it now becomes very apparent during the last 2 or 3 days, that the leadership on your side of the aisle has determined that they will stand by the committee position for cutting the money so essential to implement this needed program. You apparently have decided to vote against making the necessary funds available at a risk to our security.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. ROONEY. If that is a fact, why does the distinguished gentleman from Illinois and the leadership on his side of the aisle who favor this program, as does the present speaker, the gentleman from New York, persist in their plan to offer amendments which if rejected might very well amount to a direction to the committee when they get into conference with the other body to adamantly stay by the present House position?

Mr. ARENDS. I feel it is our duty to offer these amendments that the responsibility for whatever action is taken is clearly fixed.

Listen to these words uttered by the former President of the United States, Mr. Harry Truman, at a meeting which I attended in February of this year. I am especially addressing myself to the Members on the Democratic side of the aisle. This is what Mr. Truman said:

There are many people who say they don't like the foreign-aid program because they believe it is administered badly. I don't believe that. From where I sit it looks as if a lot of things are now being administered badly; but you can't abolish the Government on that account. You cannot abolish the entire Government of the United States just because it's being badly administered. Neither is that the way to correct mistakes in the mutual-security program. Examine it all you please, correct all the mistakes you can, improve it every year and every day, eliminate waste and increase efficiency; but don't scuttle the ship just to stop the leaks.

Then he went on to say:

And I want to say a word in a political vein to my Democratic brethren in Congress. There was a Democratic vote last year to cut a budget item which should not have been cut, and we are still having a hard time explaining it. Please don't put us on that kind of spot again. If the Democrats in Congress refuse to spend at least as much for foreign economic assistance as this administration recommends, we will never, never be able to explain it. People will forgive us for spending too much in search for peace; they will never forgive us for refusing to spend enough.

I call this to your attention in the hope that you will heed the advice of your party leader; that you will recognize the value of this program for our own security and for the maintenance of peace.

To be sure, mistakes have been made and there has been waste; but in recent years the program has been substantially improved, both in character and in the method of administration. It must surely be recognized that as a whole it has proven its worth. During recent years there has been no territorial expansion of communism, and the free world today is stronger, both in an economic and military sense, to combat any aggression anywhere. The strength in our solidarity as free people has itself been a deterrent to war. This program is a part of our national defense.

The substantial cuts made by the committee materially weaken it. To accept the committee position is to take a great risk. I hope some of the money will be restored.

Mr. GARY. Mr. Chairman, I move to strike out the last word.



I do that simply to ask the gentleman if he agrees with the entire statement of former President Truman, particularly that portion of the statement which says that many departments of the Government are poorly administered.

Mr. ARENDS. Mr. Chairman, if the gentleman will yield, I do not necessarily endorse everything in the talk, but I think as far as this legislation being considered here today, Mr. Truman was right. If the mutual-aid program was good under Truman, it is still good now under President Eisenhower. It should be borne in mind that to the best of my knowledge, not a single country has gone back of the Iron Curtain in the last 5 or 6 years and certainly we have not since then been engaged in war with any American lives being lost. This should pinpoint and emphasize the importance of adequate military support.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the gentleman from Illinois whether that Truman statement was issued from France or at Eric Johnstons' clambake earlier this year.

Mr. ARENDS. It was at a luncheon meeting that Eric Johnston had at the time he had those people in Washington.

Mr. GROSS. I am surprised that former President Truman is not over here now instead of at the French Riviera lobbying for this bill.

Now, this provision in the bill and the amendment to increase it gets right down to bedrock. This is the give-away section of the bill, defense support, which is economic aid, which is the give-away.

The gentleman from Michigan has made a great issue of Turkey. Are not the Turks interested in their own defense? Is not Spain interested in its own defense? Why should we load on the backs of the American taxpayers all of this giveaway program? I can understand Formosa and I can understand South Korea up to a point, but I do not think anybody in this House this afternoon thinks that if the chips were down in South Korea that we would not be on the way with a fleet and thousands of troops within a matter of hours. The South Koreans are not going to be able to defend South Korea alone if there is an attack made, and certainly the United Nations will not be there, because it was not there before, and has no intention of being there except in name. Is there any money in this development fund, this give-away fund, that you are presently addressing yourself to, for France?

Mr. MORANO. Not the development fund.

Mr. GROSS. I am talking about defense support. That is what you are dealing with.

Mr. MORANO. You said the development fund.

Mr. GROSS. I stand corrected. Defense support, which is the give-away.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. TABER. The gentleman asked if there was any money in here for France in this item. There is not.

Mr. GROSS. I hoped that would be the answer.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Connecticut.

Mr. MORANO. Would not the gentleman like to have a radar net in Turkey so that we can detect, as early as possible, if there is going to be a strike on the Western World? Would you not like to have that? That is one of the items in this bill.

Mr. GROSS. I would like to know why so much of this information is classified. Why should we not know what these programs are?

Mr. MORANO. Would the gentleman answer the question?

Mr. GROSS. What is that?

Mr. MORANO. Would the gentleman not like to have an early warning radar setup in Turkey or any place else, for that matter?

Mr. GROSS. We are spending money for that now in the military budget. That is not an expenditure in this bill.

Mr. MORANO. Yes, you are.

Mr. GARY. Mr. Chairman, if the gentleman will yield, would you ask the gentleman to point out where there is anything for radar control in this item?

Mr. GROSS. I do not know what is in the unspecified provisions of the entire bill.

Mr. GARY. His remarks are irrelevant at this point, because there is nothing of that kind in the defense support item.

Mr. GROSS. Certainly there is nothing under defense support for that purpose. This is a giveaway down to the last dime. I would like to inquire from the gentleman from Michigan why the Members of Congress and the public cannot be told what this giveaway program is for. Will the gentleman tell me why it is classified?

Mr. FORD. The reason why parts of it are classified is because it involves our own military strategy and planning. If the gentleman wants to look at some of the justification books he can see the classified portions. As far as I am concerned, every Member of Congress ought to have that opportunity.

Mr. GROSS. The gentleman knows the reason why, and it is not the reason the gentleman gave me. It has been stated on the floor of the House that we are not given this information because—and your hearings show it—because if nation X found out that nation Y was getting a little more money, there would be an unfriendly feeling toward us on the part of nation X. That is the reason given in your own hearings. That is the reason repeatedly stated on the floor of the House. And I am getting sick and tired of that kind of alibi or excuse. program adequately?

Mr. FORD. Mr. Chairman, to a degree the gentleman's statement is correct. But in the substantial part of the appropriation request, there are requests

for funds for certain military equipment predicated upon our own defense programs and policies, and it is not possible under those circumstances to divulge just where and what is requested.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. JUDD. There is a third reason why the information is classified. If, when the agency brings up its requests for individual countries, those requests are made public, and then the Congress decides to reduce the amounts, as is being done today—

Mr. GROSS. I cannot yield further. But I should like to ask a question. Why is it we cannot find out how many troops there are in Laos?

Mr. JUDD. I thought you wanted to pursue the original question you asked.

Mr. GROSS. They are getting defense support. Why can we not find out how many troops we are supporting in Laos?

The CHAIRMAN. The time of the gentleman from Iowa [Mr. Gross] has expired.

Mr. MARTIN. Mr. Chairman, I rise in support of the amendment of the gentleman from Michigan. I rise in support of this very modest amount which it is sought to be restored to a most vital section of the bill. This amendment deals directly with national defense. This is not a partisan question. It should not be one of political bickering, because this is a measure that has been endorsed not only by President Eisenhower, but by ex-President Truman; not only by Secretary Dulles, but by ex-Secretary Acheson. It is a measure to permit the United States to protect itself from the greatest menace that this country has ever been confronted with, and that is international communism. This fund is necessary if we are to be supported adequately by our allies in the free world.

If this were offered to the regular military appropriation bill we would not hesitate a minute. We did not hesitate in boosting that bill beyond the administration requests. We gave \$800 million more for national defense that the administration did not ask for. As a matter of fact they stated they could not use it. We are asking in this amendment for \$75 million additional so that we can have these strong allies.

Mr. Chairman, I would like to ask the membership, if there is another war—and pray God there will not be another war, because it would mean disaster to all mankind—would we not want to have some allies? Would we not want the Turks, the Koreans, the Vietnamese, the Pakistanis, the Greeks, the Filipinos, the Formosans, and the Spaniards, and the people of 12 different countries that will get military aid from this fund. Or would we want our American boys to do the fighting all alone? Because, if such a war should break out—and as I said, I hope it never will break out—we in America will not abjectly surrender to the Communists who would dominate, if they could, the whole world. We shall not do that. We are not that



weak. And so I ask of the Members to give this a sober second thought. It is true, I know, that there are many who say, Let the bill go to the other body and they will restore the necessary money. I think they will restore much. But we would not be discharging our responsibility here in the House. Our responsibility is to meet this question forthrightly. Our responsibility is to do what we think is the right thing for America. That is all there is to it. A vote for this amendment is a vote to give to the President of the United States what he says he needs to discharge his full responsibility in protecting our country.

Under the Constitution, it is designated that he shall protect the security of our country and conduct our foreign affairs. He is the Commander in Chief. We look to him to make sure we have that security. Do we want to take that responsibility away from him? Should we assume that responsibility? If not, we must not fail to give him what he says is essential. This amendment does not meet the situation adequately but it is a step in that direction.

I want to remind you that since this administration came into power the international Communists have been stopped. Let us bar further progress and keep them from assuming domination of millions of people now in the free world.

This is a serious decision we are to make. I pray that decision will be in favor of our continuing successful struggle against communism.

Mr. PASSMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I state at the outset that when considering this bill last year the subcommittee accepted a motion to earmark a substantial amount of funds for Spain, over and above what the administration had requested. Subsequent to that action, the Executive transferred another large sum out of the defense item over to Spain.

I hope the Members will consider this matter upon the basis of fact, backed up by the record.

There were so many different types of economic aid in this bill that this House felt if we let them get too far afield on the defense support item there would be even more graft and corruption as a result of the program. I am sure that must have been the conclusion because when the Foreign Affairs Committee came to the House last year they asked for only \$500 million in this category. But an amendment to increase this to \$500 million was offered and adopted. The bill went over to the other body and, lo and behold, the item was raised there to \$800 million. In conference we had no alternative but to capitulate in this instance, in order to break what appeared to be a deadlock. Therefore, the bill was brought back to the floor of the House last year, for your consideration, with \$725 million for this category. We had moved up from \$500 million.

In the bill before you, continuing the unexpended balances, there is a total of \$3,403,582,500 provided in the several categories of economic aid. We have

had the same item under different names in past years. Appropriations that are several years old and have been under different names in prior years as being carried as obligated. But if you insist on limiting the discussion to defense support, permit me to note that my distinguished friend from Michigan only had 15 minutes' time, and he never did get around to naming the countries of Laos, Vietnam, Taiwan, and Cambodia, where in all probability there could be a lot of prosecutions as a result of malpractices in connection with the programs.

The particular figures are classified, but there have been hundreds of millions of dollars stolen. In some of those nations, where we are supporting the currencies, the official rate of exchange is 1 to 35 but the free market rate is about 1 to 100; so the connivers are making a 286 percent profit even before they finish the book transaction. Then when they move into the market place, with their import licenses, the overpricing in many instances has been as much as 1,000 percent. This is a phase of the program where you find blackmail, shakedowns and corruption.

The distinguished gentleman from New York [Mr. TABER], of whom I am very fond, supported my position in the committee a few weeks ago, to the effect that we should immediately send a delegation to one of these Far Eastern countries for the purpose of an investigation. Then, when they found out about the plan downtown, they said, in effect, "If you want to send a group down there, if you want to subpoena our records, we will come before your committee and make an honest confession." The gentleman surely remembers the understanding we had.

I say to you we should stick to the record here in considering this matter. We are not formulating policies this afternoon; we are considering the amount of funds required to continue the program, which is one of the most extravagant items in the entire bill.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. GARY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. NICHOLSON. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes.

Mr. NICHOLSON. Mr. Chairman, I object.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield to me?

Mr. GARY. I am glad to yield to the gentleman.

Mr. PASSMAN. Is it not true that this bill provides in the item called defense support a total of \$1,610,688,000 in new and carryover funds—a fantastic amount, \$1,610,688,000 in this one category—and that if you add to that sum the similar programs which were under different names in prior years, the total available is in excess of \$2 billion? That

is what the record reveals. I thank the distinguished gentleman for yielding to me so that we may further enlighten the House on what this item represents.

Mr. GARY. Mr. Chairman, I would like to point out we have had so much talk about how much this committee has cut. Let us see what the committee actually did. Last year we appropriated \$689 million for defense support. Then there was an unobligated balance which we reappropriated because of a situation that is nonrecurring, but which we cannot discuss for security reasons. So that really the appropriation last year, which was \$725 million, had \$25 million for this particular purpose.

Mr. WIGGLESWORTH. How much was the total?

Mr. GARY. It was \$725 million, with \$25 million for this particular purpose. So that left approximately \$700 million that we appropriated last year. We have recommended identically the same amount this year. The President requested \$835 million. At a time when this program should be tapering off and should be reduced, it is going up every year. I think the gentleman from Michigan said there was no justification for the recommendation that we make. I think there is every justification. We are recommending practically the same amount that was appropriated last year.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. PASSMAN. Does it seem to be a fair action from the other side of the aisle that would deny to the Member who is responsible for presenting the bill, and who has studied it for weeks and weeks and weeks, the opportunity to explain the bill; especially so, as we permitted the sponsor on the other side of the aisle to speak for 15 minutes?

Mr. GARY. I think some of the gentlemen on the other side regret that the objection is raised. But nevertheless, Mr. Chairman, the facts in the situation are just these, that the committee is recommending substantially the same appropriation that was made last year, if you will eliminate this special item of \$25 million, for which appropriation was made, which was to cover a peculiar situation that does not recur this year.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just feel that this item is necessary. I would not be for it if it were not. I believe that the things that are available prove it. The amount allotted to Korea this year as compared with last year shows a cut from \$300 million to \$215 million. You have got to face that situation. Last year the budget estimate was \$750 million, according to the record that the committee has. I have just checked up the figures. They were given \$725 million. We need to take care of those situations in Turkey. We need to take care of the situation in Pakistan and Iran and Iraq and Greece. The budget estimate originally was \$835 mil-



lion. It is down now to \$700 million. This attempt is to put it back to \$775 million. \$775 million will help to keep our allies in line, and enable them to carry on and do a job.

I want to see this thing handled in such shape that, as the gentleman from Michigan [Mr. Ford], said, we will not have to send more of our troops over into that territory around the periphery of Russia. Let us adopt this amendment and say that we mean to go along and do what is necessary.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Ford].

The question was taken; and a division was demanded by Mr. MORANO.

Mr. FORD. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. PASSMAN and Mr. FORD as tellers.

The committee divided and the tellers reported that there were—ayes 97, noes 120.

So the amendment was rejected.

The Clerk read as follows:

Development Loan Fund: For advances to the Development loan fund as authorized by section 203, \$300 million, to remain available until expended.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, as previously stated, I have read the voluminous hearings in connection with this 1958 edition of the foreign handout program and I am impressed with two things: First, the valiant effort of the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN], and some of the members to obtain information, and, second, the reluctance or utter inability of those entrusted with policymaking and spending of billions of dollars of the taxpayers' money to give clear answers as to what has happened in the past or what is proposed for the future.

After shoveling out more than \$80 billion since the end of World War II, the Congress and American people are still asked to underwrite, all too often on a sight-unseen basis, the spending of more billions throughout the world.

All too often it is a variation of the old county fair shell game, and when attention is called to corruption and racketeering in this program the stock answer of those entrusted with its management is "we regret," and it is "unfortunate" such things have happened.

Last year, on the House floor, I called attention to the black market in the currencies of Laos and Vietnam which has added, unnecessarily, millions of dollars to the costs of the foreign handout program in those countries and enriched a few individuals. The hearings show that since that time the General Accounting Office and the Passman subcommittee has tried to put a stop to this corruption, but it is also apparent from the hearings that there was a definite lack of cooperation with the GAO and subcommittee on the part of those running this show.

During past weeks and months I have listened to an assortment of speakers, in and out of the Government, trying to defend this multibillion dollar annual raid on the United States Treasury which is running deeper and deeper into the red. What intrigues me is why, after spending more than \$80 billion, and having won so many alleged friends throughout the world, it should be necessary to carry on a nation-wide propaganda campaign. Is this an admission that the American people are still unconvinced that dependable allies can be purchased out of the United States Treasury.

Incidentally, I am still curious to know some of the details of how two Members of the House of Representatives, Mr. Carnahan, of Missouri, and Mr. Merrow, of New Hampshire, carried on their nationwide speaking tour of the past several months in behalf of this foreign handout program and low-tariff foreign trade. I am informed that their expenses were not paid by the House Foreign Affairs Committee, and I wonder if either of the gentlemen would care to enlighten the House as to the source of their expense funds?

I do not know whether either of those gentlemen are on the floor at the present time, but I would appreciate it if they are present, if they would tell where the expense funds came from to provide the wherewithal for them to travel with the greatest of ease from the Atlantic to the Pacific and back again extolling the alleged virtues of these programs for foreigners.

Mr. Chairman, I can pinpoint the expenses of at least one man, Mr. Charles H. Shuff, Deputy Assistant Secretary of Defense for the Military Assistance Program, who addressed the Export Committee, Aircraft Industries Association, at Palm Springs, Calif., on December 3, 1957.

Let me read to you from a speech by this Assistant Secretary of Defense who has been out propagandizing the people of this country for support to keep this program going.

He says:

I feel very strongly that the greatest challenge we face at the moment is to publicize this program, and give it more sex appeal in the public eye. In my own small way, I have been trying to do just this ever since I took on my present job last May; and during the intervening months, I have stumped the country from Wisconsin to Texas, from Louisiana to California, preaching the principles of military assistance and mutual security to listeners ranging from local mayors to members of the Houston Chamber of Commerce. \* \* \* The American people must be told and sold.

Then he goes on to tell the Associated Aircraft Industries how to sell the foreign handout program.

Now, how were the expenses of this gentleman paid when he was propagandizing the American people in this way? We find in the hearings on page 274 the following item:

December 3. Charles H. Shuff, Aircraft Industries Association, Palm Springs, Calif., \$3,992.94✓

Now, here we have an Assistant Secretary of Defense traveling all over the country—

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. GROSS asked and was given permission to proceed for 5 additional minutes.)

Mr. GROSS. Here is a speech before one group in California which apparently cost the taxpayers of this country almost \$4,000 to drum up support for this handout program.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to my friend from California who has labored long and hard in an attempt to get some facts on this propaganda campaign.

Mr. LIPSCOMB. Would the gentleman be able to tell us what account that money was expended from?

Mr. GROSS. I have only the hearings before me, and it shows this particular item for this particular purpose on that day. I do not know where the money came from other than it apparently came from out of the United States Treasury.

Mr. LIPSCOMB. Does the gentleman suppose any member of the Committee on Appropriations could enlighten us as to where the Department of Defense gets the money to pay for these expenses?

Mr. GROSS. I do not know. I believe there are provisions in law prohibiting the use of taxpayers' money for propaganda purposes.

Mr. LIPSCOMB. There is a section in this bill, section 102, that specifically states that. Does the gentleman know whether this has been considered or looked into as being propaganda or publicity?

Mr. GROSS. Well, I just read the gentleman at least one excerpt from this speech. Does not the gentleman consider it to be propaganda?

Mr. LIPSCOMB. I certainly do, and I believe, in my mind, that this would be illegal according to the law.

Mr. GROSS. I appreciate the gentleman's statement.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. TABER. I wonder, has the gentleman submitted this question to the General Accounting Office?

Mr. GROSS. No; I have not. I just came into possession of the information yesterday.

Mr. TABER. Do you not think that should be done?

Mr. GROSS. Well, I would say that probably the proper place to take it would be the Attorney General's Office, but I doubt I would get anywhere doing that.

In addition to the fact that this Assistant Secretary propagandized the Aircraft Industries Association, let me point out that the military phase of the aircraft industry of this country is on a practically 100 percent cost-plus-fixed-fee basis; so I assume they could get into this propaganda campaign and charge it into business expense.

I want to call attention to some more propaganda. This is from the Atlanta Constitution, Atlanta, Ga., Thursday, January 23, 1958, and it is headed "U. S.



seeking southern belles to charm our friends overseas."

Keep in mind that this recruiting propaganda is part of the expense that you help underwrite if you vote for this bill.

Let us see what this newspaper article says:

For the lucky 1 in 10—

That is, for a job with the ICA overseas.

For the lucky 1 in 10, there are jobs at salaries ranging from \$4,000 to \$5,000 a year with free housing in new, air-conditioned apartment buildings. The girls sign up for 2 years and may get a 6-week vacation at home before returning for a second 2-year period.

Though some of the girls are young widows seeking a chance to get away for a while, most of the girls sign up to get a free trip abroad.

After passing the tests, the 50 to 75 girls sought from the Atlanta area will report for orientation in Washington. There they will study the agency's program, find out their assigned country, learn of their country's protocol and politics, and view scenic movies.

A "post report" tells the girls everything, from what to bring to what they can do in the way of entertainment in each country.

On the top of the social agenda is each secretary's ex-officio role of hostess to visiting dignitaries—such as Adlai Stevenson and Vice President Nixon on recent round-the-world tours—at parties given by the State Department overseas.

Yesterday I inquired about the representation fund, the liquor fund, that is in this bill. I found that it is a minimum of \$200,000 and probably \$300,000. A short time ago a girl came to my office, who was seeking a job with the ICA. Among other things she told me about the wearing apparel that is required for one of the Asian countries. She said that it included 12 cotton dresses and 8 cocktail dresses. That is the requirement, 12 cotton dresses and 8 cocktail dresses, among other things.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman.

Mr. HOFFMAN. Are those dresses the latest style, called sack dresses, a sort of a Mother Hubbard?

Mr. GROSS. I do not know, but I think I know the reason for the requirement.

Mr. HOFFMAN. I think the gentleman ought to find out.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MILLER of Maryland. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I know that many Members of this Body are opposed to this program in its entirety. I respect their sincerity if I do not fully respect the soundness of the judgment which brings them to that conclusion. Also, in this campaign year it requires pretty strong convictions to support expenditures overseas when there are so many things needed in our districts here at home, in our own country. It is much easier to explain a vote for less than for more to the average man on the street at home in a situation as complex as this is.

However, the policy that this bill is supposed to implement was adopted by both the past administration and the present administration and also reaffirmed only the other day by this Congress. And it is our duty here to impartially determine what money is needed to implement it. To do that we should be factual and dispassionate and not allow our emotions to get the better of us.

Some of the comments by the distinguished subcommittee chairman and other speakers on this bill would give the impression that the ICA officials and other witnesses who have appeared before our subcommittee have combined inefficiency, scheming and conniving to make a distorted and inaccurate presentation of justifications for some ulterior and vaguely sinister purpose.

The many details, necessarily classified, have been criticized and alluded to as containing hidden secrets that would make a patriotic citizen shudder and put a different complexion on this bill.

Let us be factual and fair about the whole situation. There are probably some selfish and undoubtedly some inefficient persons in an organization as big as this. So large a group would never be 100 percent of anything, and it is a very big and a very complex program.

But if we are to be impartial and to view this correctly we must recognize the fact that the ICA and the Defense Department witnesses that have appeared before this subcommittee are highly competent, devoted, patriotic Americans. Whether we agree with their judgment or not, they are well informed on the facts they have presented and they are conscientious and high-grade people. Any inference to the contrary is most undeserved. The patriotic motives of these men should never be questioned by anyone. They should not be slurred by implication. If anyone thinks we are in the face of a dangerous conspiracy here, it is hard to understand on what it is based.

About this classified information that we have heard so much about, there is no excuse for breastbeating about such a situation. I can assure my colleagues that the overall classified information that has been presented to our committee, and which is available to any one of you, not to talk about in the open, but to come here and look at, contains many more reasons why we should support this program than pointing out inefficiencies in it.

I think the details that justify the program are many and those that discredit it rather few. But remember this: We are in a cold war. It is a cold-war program. Obviously it would be grossly foolhardy to announce all of our plans, to call our shots in advance, to allow our potential enemies to know what was going on and advertise all our future moves. It is just silly to say that these things ought to be made public to the benefit of those we are seeking to contain and to defeat the very policies for which we are spending so much.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last two words,

and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Chairman, from time to time there are demands, recommendations, and proposals for a congressional review and reappraisal of the mutual-security program and of the policies underlying that program.

I rise to suggest the need for a different and, I believe, even more fundamental review and reappraisal in connection with the mutual-security program—a review and reappraisal, in the light of a decade of experience and problems, of the legislative processes and procedures incident to mutual security.

It does not strike me as an exaggeration to say that there has been a very significant revolution—or evolution, if you please—in legislative processes and procedures in this House incident to the authorizations and appropriations for mutual security.

In saying this, I impute no improper motives, no sinister plot, no conspiracy to alter those legislative processes and procedures. Certainly I speak with no disrespect toward the members of the House Committee on Foreign Affairs or the House Appropriations subcommittee—the fruits of whose labors are brought before us in the pending mutual security appropriations bill. Indeed, I regard these committees and their members as victims rather than perpetrators of this situation which, it seems to me, calls for thorough, objective, dispassionate and constructive review and reappraisal.

The nub and essence of this revolution in legislative processes lies primarily in the unprecedented and unparalleled range and scope of varied and detailed and multispecialized types of legislative responsibilities and authority acquired by a single committee—the Committee on Foreign Affairs—of this House in conjunction with mutual security enabling legislation.

The nub and essence of justifiable concern by the House over this development seems to me to lie in the fact that the areas of responsibility and authority in which this committee must operate, pass crucial judgment and offer far-reaching, profoundly important and vastly costly recommendations to this House—under its ostensible and historic role of foreign affairs—are areas of activity, judgment and recommendation so vast, complex and specialized that comparable matters in the field of domestic legislation involve at least a half dozen separate, permanent committees of this House, each with clearly defined and scrupulously maintained jurisdiction. I am sure it will be agreed that the Foreign Affairs Committee is dealing with matters affecting some 50 to 70 countries which matters, if dealt with domestically, would involve the jurisdiction, responsibilities, authority and specialized experience, knowledge and skills of the Committees on Agriculture, Armed Services, Banking and Currency,



Interior and Insular Affairs, Interstate and Foreign Commerce, and Public Works, as well as possibly of other committees. And I am sure that if these same matters were subject to legislative consideration in recipient countries with a legislative and committee structure similar to our own, they would likewise be subject to jurisdiction of corresponding committees in those countries.

The nub and essence of the analysis of this problem, it seems to me, is to determine whether this accretion of diversified responsibilities, authority and areas of specialization is in fact an unwitting and unwilling and unavoidable violation of the great principle of the committee system of our House; whether it places upon the Committee on Foreign Affairs a burden too grievous to be borne and one which a single committee ought, in any case, not to be permitted to bear; and whether it deprives the Committee on Foreign Affairs, the House and the Nation of the experience, skills and specialized know-how of the various other committees and their highly qualified staffs; and whether the situation is not a factor in the alarmingly steady transfer of discretionary power and authority to the executive.

Finally, the nub and essence of the resolution of this problem, it seems to me, is for the House—by means of a special committee—to conduct an analysis of the problem along these lines and to determine whether there are means, not now available and not now utilized, whereby the values and safeguards of our historic and fundamental committee system may be extended to or drawn upon by either the Committee on Foreign Affairs or by the House itself in dealing with the complicated, diversified, highly specialized, and continuously costly features of mutual security.

I would be less than frank, Mr. Chairman, if I professed to have an unrestrained love for or confidence in the so-called mutual security program. I am skeptical of many of its premises and even more skeptical of many of its performances. I have no desire to contribute to the institutionalizing and indefinite perpetuation of a program of which a majority of the Hoover Commission members said in 1955 that "the time has come to apply some brakes."

But I am also realistic. I see no prospect of total abolition of this program in the immediate future. I see disturbing evidences of continued propaganda and pressure tactics in support of the program from many sources—many of these tactics of the most deplorable type. I observe in this debate the mounting feeling and attitude of frustration on the part of those who seek to make some reasonable application of the brakes.

All of which prompts this concern that we look to the basic legislative processes and procedures, and particularly to the broader extension of the tried and proven committee system of this House to the legislative problems of mutual security, to the end that Congress will recapture and maintain the effective controls it should exercise over the program.

The Clerk read as follows:

Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), \$12,500,000: *Provided*, That no funds appropriated in this act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

Mr. WALTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe that I should avail myself of the opportunity offered by this debate and inform the House about the activities of the Intergovernmental Committee for European Migration.

This organization, actually created by the Congress of the United States, now comprises 27 nations of the free world. Our aim in creating ICEM—outsides of the United Nations, I might add, for the obvious purpose of eliminating Soviet Communist interference—was to establish an international instrumentality equipped to furnish migration services in order to increase the volume of European emigration to overseas countries whose economic development depends on the acquisition of manpower.

It was our desire to build an organization which would be able to insure smooth and humane accomplishment of migratory movements and the settlement of the migrants under the most favorable conditions for their quick integration and assimilation into the economic and social life of their countries of adoption. We did not intend to create for ICEM a monopoly in the field of migration, and we have provided that migration services will be offered by ICEM only to those migrants who could not otherwise be moved. In that connection, I might add that at the present time 40 percent of all emigration from Europe proceeds through ICEM and the facilities which that organization is equipped to offer. Conversely, it should be recognized that the volume of emigration from Europe would be smaller to the extent of 40 percent if ICEM were not in existence.

It is not my desire to burden the House with an impressive story of facts and figures pertaining to ICEM's activities in the past as well as with the details of the steps—legislative and diplomatic—which led to the creation of that organization in the fall of 1951 at Brussels, Belgium. In that connection, I would prefer to refer the House to two extensive reports which I had the privilege of submitting in 1955—84th Congress, House Report No. 1570—and in 1957—85th Congress, House Report No. 203.

At this time, I wish, however, to submit to the attention of the House a short summary of ICEM's activities and a few remarks relating to its future.

#### THE COST

The cumulative total of ICEM's actual expenditures—administrative and operational since February 1, 1952, until December 31, 1957—is \$177,497,211, of which \$60,667,578 was contributed by the United States.

The total cumulative expenditures of ICEM plus estimated expenditures until December 31, 1958, are \$212,389,857, of which \$73,167,578 represents the United States' contribution. Thus, the United States is participating to the extent of 34.9 percent of all ICEM expenditures.

#### THE ACHIEVEMENTS

What did this money buy? In addition to a wealth of experience, which would permit ICEM to expand—it is hoped—its activities in the future, provided its course of action is properly redirected, and in addition to an imponderable, but easily detectable capital of international goodwill, ICEM has achieved this much in numbers: Since its creation, February 1, 1952, it has moved to new homes 786,969 immigrants, of which 672,736 are classified as people being moved under ICEM's normal program. This figure represents refugees as well as workers and other migrants for whom there was no room and no employment opportunities in Europe. The balance represents people moved to places of safe asylum and resettlement under emergency conditions, such as 84,589 Hungarian refugees from Austria; 10,710 Hungarian refugees from Yugoslavia; 11,141 European refugees who escaped from Communist China; and 7,793 refugees of European background moved from the disturbed areas of the Middle East, mainly from Egypt.

The emergency operation undertaken by ICEM in October 1956, in connection with the Hungarian revolution, and the ensuing exodus from Hungary has earned that organization recognition and praise of the entire free world. Practically overnight ICEM's machinery sprung into action, and its helping hand was extended without delay and with the greatest degree of efficiency when and where such assistance was most desperately needed.

#### NEED FOR REASSESSMENT

With all the past achievements of ICEM recognized and made part of its record, it would be wrong to paint too rosy a picture as far as the organization's future is concerned. Those of us who—like myself—participate as United States delegates in the semiannual sessions of ICEM's governing bodies, watch with a considerable degree of anxiety the declining figures of migrants moved by ICEM from Europe.

In the last year, except for the emergency movements of Hungarian refugees, the numbers of migrants leaving Europe declined steadily. There are many factors involved in this occurrence.

Europe is still in the midst of an era of economic expansion which, provided that conditions of the world's economy remain stable, may be expected to continue although at a slower rate than in the past. European workers are able to find employment in the expanding industries of Europe more easily than 7, 5, or even 3 years ago and their desire to leave their native lands is diminishing as a consequence of better employment opportunities at home.



However, unemployment and underemployment still exist, mostly in the south of Europe. What is rather cruelly called surplus population is therefore likely to remain a factor in Europe for a considerable period of time. But such unemployed manpower will consist mainly of agricultural workers, unskilled or not sufficiently skilled urban workers and refugees. The scope of the problem will be further enlarged by the influx of a large number of Dutch people expelled from Indonesia.

On the other side of the picture, Australia, Canada, and several countries of Latin America, although still remaining a great resettlement potential, require now both agricultural and urban workers with a level of skill higher than that which they were able and willing to receive in the past.

#### QUANTITY AND QUALITY

A rather easy evaluation of these factors offers an explanation of the diminishing migratory movements from Europe. Plainly speaking, I believe that the quantity of migrants from Europe will continue to decline unless the quality of the migrant is improved. To realize the cold fact and to approach the current situation realistically, there is practically no demand in the immigrant-receiving countries for the unskilled worker. There is, however, and there will be for a long time to come, a demand for the worker prepared and trained to contribute to the developing economies of several countries of the British Commonwealth and Latin America.

I might add that the deficiencies of the international migration programs are illustrated not only by the diminishing number of workers leaving Europe, but by the very unfortunate occurrence of a considerable number of migrants returning to Europe because they were unable to find desirable employment and happiness overseas.

Without trying at this time to pinpoint the deficiencies of the vocational training and other type of preparations for the resettlement and assimilation of an immigrant in the various countries of Latin America, Australia, Canada, and the British Commonwealth countries in Africa, it is not difficult to find distressing examples of the lack of preparation for the settlement and assimilation of immigrants coming to the United States.

As reported in the proceedings of the Lexington Conference on Immigration, held on November 9, 1957, at Lexington, Ky., the Reverend Maurice Shean, executive secretary of the Farm and Family Foundation, Charleston, S. C., related his experience in resettling European farmers in South Carolina.

Said Father Shean:

The European farmers sometimes arrived in the United States with exaggerated ideas of the living standard which would be theirs. They found it difficult to adapt to American farming methods. There was a sense of isolation in being many miles away from anyone who spoke their native language or understood their traditional customs and attitudes. If they were resettled on farms anywhere from 10 to 40 miles away from the nearest large city, they worried that their children would not have American schooling, meet American friends; then they wanted

cars which would take them to the cities, and this was far beyond their incomes.

Father Shean emphasized that there were vast areas of untitled land in the United States, which immigrants could work to good advantage.

With some adjustments on the part of American sponsors and the immigrants themselves, there could be matching of unused land and homeless people for the benefit of all concerned—

Said Father Shean.

Similarities of this situation occur all over the world. I submit that there is a remedy, a cure to the darkening world migration picture. The answer lies, I believe, in expanding services which will train the prospective migrant in a useful skill, prepare him for his new life in a new country, teach him the language spoken in the land of his destination, teach him the way of life of his new countrymen and precondition him for the adjustments which he will have to make. Undoubtedly, there would be demand overseas for such type of immigrant.

#### ICEM COULD DO IT

Is ICEM authorized to undertake such a task? My answer is "Yes."

The basic resolution establishing the Provisional Intergovernmental Committee for the Movement of Migrants From Europe—PICMME was the direct predecessor of ICEM—gave the new organization a rather limited mandate, circumscribing its scope of activities in accordance with a task which at that time dominated the minds of all of us who participated in the Brussels meeting.

In agreeing to constitute PICMME, the nations participating in the Brussels conference decided that the purpose of the new organization "will be to make arrangements for the transport of migrants, for whom existing facilities are inadequate and who could not otherwise be moved, from certain European countries having surplus population to countries overseas which offer opportunities for orderly immigration, consistent with the policies of the countries concerned." The resolution further limited the scope of PICMME's activities by providing in its paragraph (3) that the new organization will provide and arrange for land, sea and air transportation, assume responsibility for the charter of ships, work out a shipping program and "take only such actions as may be directly related to these ends."

Regarding services to migrants to be undertaken by PICMME, the terms of reference of the new organization were rather devoid of flexibility and that, I wish to stress, was not an oversight on our part. The new organization had an immediate task cut out for it—to move into a field deserted by the expiration of the International Refugee Organization and to continue the shipping activities of that organization without attempting to originate new and probably expensive programs of secondary importance at a time when there was crying need to attend immediately to the movements of migrants, refugees and displaced persons in the first place, for whose reception doors were open overseas.

Two years later when we charted ICEM's future course and wrote its con-

stitution at the conference held in Venice, Italy, it was realized that the scope of ICEM must be broadened and that sufficient flexibility must be built in its organic act so as to permit the already well-established organization to move out of the restricted field of mere shipping activities and to undertake to stimulate migratory movements.

In the preamble of ICEM's constitution, we recognized "that the furnishing of special migration services is often needed in order to increase the volume of European emigration and to ensure the smooth accomplishment of migratory movements and, in particular, the settlement of the migrants under the most favorable conditions for their quick integration into the economic and social life of their countries of adoption." And in article 1 of the constitution, in stating the purpose and functions of ICEM, we said that they shall be "to promote the increase of the volume of migration from Europe by providing, at the request of and in agreement with the governments concerned, services in the processing, reception, first placement and settlement of migrants which other international organizations are not in a position to supply, and such other assistance to this purpose as is in accord with the aims of the committee."

#### SHIPPING PEOPLE—NOT THE SOLE PURPOSE

Clearly, the constitutional authority to do more than merely to buy space, charter ships, and fly planes in which immigrants are moved to countries of resettlement—the authority to become a catalyst for a free but orderly and planned movement of manpower to countries where manpower is needed—that authority is right in ICEM's constitution.

I did not hesitate to point out to the governing body of ICEM the inadequacies of the organization's present activities. In my capacity as United States delegate to the eighth session of ICEM's Council, I addressed that body on May 27, 1958, in Geneva, Switzerland. I paid tribute to ICEM on the magnificent work it had accomplished during the Hungarian crisis. However, I pointed out that almost from its inception ICEM had been called upon to deal with emergencies, and, perhaps for that precise reason, sight had been lost of the primary purpose for which it had been created, namely, to find a permanent solution to the problem of surplus population in Europe and to the need of additional population in many countries of the overseas continents. Rather pointedly, I believe, I have expressed the hope that ICEM will not develop into a kind of a travel or shipping agency because, I said, if its activities were restricted merely to transport, its days were numbered. I suggested that ICEM should undertake with vigor the pursuit of its basic purpose of increasing the volume of migration from Europe to countries which require additional manpower in order to continue their economic development.

I was pleasantly surprised when the members of ICEM's Council loudly applauded—and that is a rather unusual thing there—my harsh words, obviously expressing general agreement with what I had to say. That agreement was fur-



ther stressed in the general debate which followed my remarks, and it was reflected in the unanimous adoption of a resolution directing ICEM's administration to secure wider opportunities for migration from Europe to overseas countries and to place emphasis on increasing migrants qualifications and to facilitate their vocational preparation and psychological adaptation, particularly through programs of vocational, and language training and by the improvement of reception and placement activities.

A more precise program of the activities envisaged in the resolution will be worked out in the course of the current year, and submitted to the ninth session of ICEM's Council, scheduled to convene on November 12, 1958.

Many of us hope that those plans will help ICEM to map a new course, as we believe that such a new course is absolutely essential if the member nations' interest in continuing ICEM's activities is to be maintained.

#### NO SELF-PERPETUATING BUREAUCRACY

The new course for ICEM must be charted very carefully, though. It would be fatal, I believe, if ICEM were to embark on a great international, educational scheme, under which an international bureaucracy, congenitally interested in self-perpetuation, would create never-ending training programs of the do-gooder type. No, I do not believe that many nations, nor many taxpayers, would be inclined to pay for an international social worker's pipedream.

On the other hand, if ICEM could provide the immigrant-sending and the immigrant-receiving countries with a small, truly professional staff of instructors who would train not the migrants themselves but would teach instructors—paid by the interested governments—so as eventually to transfer the vocational and psychological adaptation training to national, rather than international authorities, if ICEM's administration under the direction of its Council and its Executive Committee could work in that direction and truly become a catalyst only and not an expensive agent, all of us who have gained experience in that field would approve of that solution.

In the course of the current year, ICEM was fortunate enough to acquire the services of a new Director, a prominent American, Mr. Marcus Daly of New Jersey, a businessman, corporation executive, lawyer, scholar, and civic leader. Having observed Mr. Daly's initial actions and having discussed with him very extensively ICEM's future and his plans and projects, I am more than confident that Mr. Daly is perfectly qualified to chart the new course for ICEM and to guide the organization with a firm hand.

(Mr. WALTER asked and was given permission to revise and extend his remarks.)

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. GARY. I would like to call to the attention of the gentleman that our committee is recommending the amount requested by the President for that item.

In addition, I would like to call attention to the fact that we are recommending the full amount of the requests for the United Nations refugee fund, the escapee program, the United Nations children's fund, the United Nations Relief and Work agency, the ocean freight, and the Control act. There has usually been considerable controversy over some of these items, but we thought they merited the amounts requested. The committee did not cut them 1 dollar. Since we have been criticized so severely for some of the cuts we have made, I thought this should be pointed out for the RECORD.

Mr. WALTER. I think that is probably due to the fact, certainly in the case of the Intergovernmental Committee for European Migration, that they have proved their worth. I am sure that the committee was impressed by the testimony in support of this particular item.

Mr. GARY. I just wanted to point out to the gentleman that we did not make indiscriminate cuts; that the committee worked over this bill very hard, and recommended cuts only where we thought they were justified.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield.

Mr. FULTON. I want to compliment the gentleman from Pennsylvania [Mr. WALTER], as well as the gentleman from Virginia [Mr. GARY] and the committee, for recommending the keeping of these funds in the bill for the Intergovernmental Committee for European Migration, the refugee and escapee programs, the United Nations Children's Emergency Fund which was first put in the original Marshall Plan bill on my amendment in the Foreign Affairs Committee with bipartisan support. These programs have done wonderful work and the American people should be proud of their participation in these humanitarian activities of our United States foreign policy. I have seen these projects in operation on the spot, and have kept up with their activities to date.

I want especially to compliment my good friends Tad Walter and Walter Besterman, administrative officer of the Immigration and Naturalization Subcommittee of the House Judiciary Committee, for their constant interest and excellent work in the refugee and escapee programs, and their giving of high-level leadership and United States representation with the Intergovernmental Committee for European Migration. They have not spared their time nor convenience in making the necessary travel to implement and plan for efficiency, in the month-to-month administration of these programs requiring tact, knowledge, and diplomacy.

In addition, I would like to comment favorably on the efficiency and human interest of Gen. Joseph M. Swing, United States Commissioner of Immigration and Naturalization, and compliment him and his organization, the Immigration and Naturalization Service, for their quiet efficiency in their difficult field where they give good service to the American people and our new entrants into the United States.

Mr. FORRESTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the end of this session I will have been a Member of this honorable body for 8 years. When I came to the House as a rookie, I understood that we were really going to wage an all-out fight on communism, and for some years I supported this mutual-security program thinking we were going to fight communism at home and abroad. But in these 8 years I have begun to think as the poet, when he said:

I'd rather see a sermon than hear one any day;

I'd rather have you walk with me than merely show the way.

The eye is a willing pupil, more observing than the ear;

Precept is confusing, but example is always clear.

The lectures you deliver may be very fine and true,

But I'd rather get my lesson by observing what you do.

I want to say that what I want to see you do is, instead of just waging a war across the seas, to show me some demonstration to the effect that these Communists in this country—and you know we are abounding with them—are not going to be treated so kindly and so tenderly from now on as they are being treated now, and we are going to knock them off their perch where at the present time they are almost Who's Who in this country. I want you to declare war on these American Communists. I want you to show me that you are going to prove to them that they are the boys "whose through" in this country. If you will show me that, I am ready to put on my armor and fight across the seas with you. But I will tell you right now I am a little sick and tired, because this Congress has taken no steps whatsoever to undo the terrible decision of the United States Supreme Court to the effect that you cannot discharge a known Communist, working for your Government, drawing your taxpayers' money. You have got to fight communism at home before you can fight it successfully abroad. Those boys over in Europe are looking at you. They know about that horrible decision. They see the tenderness and kindness that Congress is exhibiting toward the Communist groups by inaction. How harsh and how cruel many are to the Senator, or Congressman, who come into the well and talk about good old American sentiments, and against the Communist vermin. Sometimes it apparently is a crime to talk for America in the minds of too many. I spurn the views of those who talk of fighting the Communists abroad with dollars but object to fighting Communists here with salutary laws.

I want to see that environment changed. I want to see you rise up in your wrath and say to the Supreme Court that you are going to correct the horrible decision where they told the Un-American Activities Committee that they were interlopers, that they were trespassers, and almost put a medal of honor upon those boys who have waxed fat from the fruits of our hand, and came before Congress dressed in the very finest of clothes,



after sitting at our tables, partaking of all of our luxuries, without any shame whatsoever, but rather it looks like with pride, and refuse to say that they do not advocate the overturn of this country by force and violence.

Get our house in order. If you are really going to fight communism, fight it where it counts. Get it out of America. Prove to other nations you despise communism. Quit apologizing for standing for America.

I am not afraid of the Chinese Communists, but I am scared to death of the American Communists.

Mr. Chairman, you cannot solve this with money alone. It takes the heart also. Each and every one of us has got to put his hand to the plow, and we cannot afford to turn back until we have destroyed the enemy who says that God is a myth and that Christianity must disappear from the face of the earth.

I challenge you to do the thing that civilization is crying out should be done. Give us a little example for a change.

The Clerk read as follows:

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405 (c), \$1,200,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I take this time to ask some member of the subcommittee a question or two concerning this item or program of the United Nations High Commissioner for Refugees, \$1,200,000. Is this the appropriation to take care of Arab refugees, or is that in the next item?

Mr. TABER. This has nothing to do with Arab refugees.

Mr. GROSS. To whom does it apply?

Mr. TABER. This applies to those who escape from Russia or some place like that. This allows them to be cared for.

Mr. GROSS. Then what is the escapee program, which is the next item?

Mr. TABER. It is about the same thing; in fact, all three are about the same. They really ought to be in one item.

Mr. GROSS. Apparently the whole bill is about the same thing. I would kind of like to get it broken down, if I could. Where is the provision for the so-called Arab refugees?

Mr. TABER. They come a little later on. The item for them is \$25 million. They do not come as cheap as the previous ones. Lines 13 to 17 of page 5 is where they come.

Mr. GROSS. Would someone like to answer the question or will that come later?

Mr. HOFFMAN. Mr. Chairman, I would like to ask the gentleman from Iowa to ask the gentleman from New York if we are talking about Arabs, where does the American taxpayer come in on this thing?

Mr. GROSS. His relief is coming later; he is going to be relieved of everything.

Mr. HOFFMAN. He is going through bankruptcy, is that it?

Mr. GROSS. That is right.

How many of these Arabs are there?

Mr. TABER. Between seven hundred thousand and nine hundred thousand.

Mr. GROSS. Who is contributing to their support?

Mr. TABER. The United States principally, but some contribution is made on the part of Great Britain and I think some on the part of 1 or 2 other countries, but it is small in amount.

Mr. GROSS. Who is responsible for these Arab refugees?

Mr. TABER. They were dumped out of their homes in Palestine when the State of Israel was created.

Mr. GROSS. Were we responsible for that?

Mr. TABER. No.

Mr. GROSS. Why are we paying the bulk of the bill then?

Mr. TABER. Because of the destitute and pitiful conditions that these people are in.

Mr. GROSS. How much do they get a day?

Mr. TABER. Well, you can figure it out as well as I can. Something like \$30 a year—8 or 9 cents a day.

Mr. GROSS. Why is it that the people who are responsible for dumping these people out of their homes are not taking care of them?

Mr. TABER. Well, they quit.

Mr. GROSS. Mr. Chairman, if that is all the information I can get, I guess I will have to quit, too.

The Clerk read as follows:

General administrative expenses: For expenses authorized by section 411 (b), \$33 million.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, both the Committee on Foreign Affairs and the Committee on Appropriations make a very diligent effort to find out all the things that are wrong in this program, the mistakes that are made, the waste, the miscalculations, the errors in judgment, and any instances of fraud or actual corruption. Our job is to expose and try to correct all such.

But surely there needs to be some balance in our presentation. Reasonable effort should be made to report some of the successes, also.

It should be pointed out that some of the most important and remarkable successes have been achieved in the very places where the program had the most things wrong with it, the most to be criticized in its administration. Because of the difficulties or the primitive conditions existing in a country, many things were wrong, there were undenied irregularities, and sometimes outright fraud, generally discovered and reported and corrected by the ICA itself. Certainly things were not in strict accord with General Accounting Office procedures. Yet the overall results achieved were strikingly successful.

May I use as an example the country that has been most discussed here, described as a skeleton in the closet—the country of Laos. How and why did we start a program in that country in the first place?

Laos was given its independence 3½ years ago yesterday. It had been 1 of the three component parts of French Indochina. On January 1, 1956, when it started out to run its own affairs, it did not have a bank. It did not have a currency of its own; the French had used their currency, and the unrealistic exchange rates had been set by them. It had no industry whatsoever. It did not have a graded road. There was only one doctor in the whole country. It had no education above the sixth grade. It had had no experience in import trade whatsoever. Everything had been handled by the French.

On top of those basic difficulties, it was in the midst of a civil war with two of its provinces occupied and controlled by Communist forces, being supplied right across the border from North Vietnam and from Communist China. Obviously the Communists intended to take it over—and were on the verge of doing so.

The French had developed an Army of approximately 30,000 men. Those soldiers were paid entirely by the French Government. There was no taxation system, the country had no military budget of its own, it had never paid a cent toward its own armed forces. And the French had established for these troops, as in Vietnam and Cambodia, about the highest pay scale in that part of the world. What were we to do with such a problem?

You will recall that the British for decades had supported the Arab Legion in Jordan without which that country would have succumbed to Communist subversion last year and the rest of the Middle East might have gone with it. When the British were kicked out 2 years ago, we took over its support at 20 to 30 million dollars a year and it has paid off.

The problem in Laos was much more difficult. We would have to assume full support of the armed forces. How would we get the local currency to pay the bills? What American products would we import to sell for local currency as we do elsewhere? There were not many of our products that they needed, or could use, or that could be moved in. To sell dollars for local currency at the official exchange rate would lead to blackmarket operations of a scandalous sort—as it did. Yet for us to insist on our ways and will all at once, would appear to them and be portrayed everywhere, as our helping them get rid of French imperialism only to impose our own. And such external control would be rejected by them, no matter what the consequences. What was to be done with such an impossible situation? Throw up our hands, and let the Chinese Reds into the heart of southeast Asia—the same Chinese Reds against whom the committee properly inveigh in the latter part of this bill?

I want to report that, to the credit of the ICA and the State Department, they asked to talk it over with our Far East subcommittee. They told us frankly that they did not know whether to make the effort to save the country or not; it was a touch-and-go proposition. There just did not seem to be enough there on



which we could build. And because we would have to take over the French practices and change them gradually, as the country developed, it was certain there would be plenty of criticism. But, when you look at the geography, you will see why we agreed that we ought to try. The alternative was too dangerous and would be far more costly.

Look at the location of Laos—600 miles long with Burma on its northwest, then Thailand and Cambodia on its west, South Vietnam on its south and east, and Communist North Vietnam and Communist China on its northeast and north. It is wedged down between them in such a way that if Laos goes to the Communists, it will be practically impossible to save any of the rest of southeast Asia. So, we thought this new country so important that we ought to make the effort even though the chances of success were certainly no better than 50-50.

Well, it has been tough going these 3 years. It took 2 years to get anything like an adequate staff. Who wanted to go to Laos? But, for my money, one of the most extraordinarily remarkable achievements of ICA anywhere is that this country is still today independent. It has cost a lot, but the integrity of the country has been preserved. The civil war has been brought to an end. The Communists have been rolled back. Two Communist battalions have been integrated with the regular forces and the other battalions disbanded, the government has not recognized Communist China. It has not recognized the Soviet Union. And, two of the greatest efforts the Communists made were to get recognition of either the Soviet Union or the Chinese Communists or both, so that they would have consulates legally operating in the heart of that part of the world as ideal centers for carrying on subversion.

An election has been held and the forces resisting the Communists won it. So, when you consider the almost insuperable difficulties encountered and the results achieved thus far—and despite the irregularities and the corruption which I do not countenance for a moment—this is one of the greatest successes of the foreign aid program—hardly short of a miracle.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. Can you tell us how much money we have put into that country of Laos?

Mr. JUDD. My recollection is something over \$100 million.

Mr. WILSON of Indiana. How much is there in this bill for Laos?

Mr. JUDD. I cannot discuss that publicly. But, we have evidence that the French had been paying pretty nearly \$3 million a month to support the army alone. We had to support almost everything at first, just as in Jordan, but conditions are improving and the costs are decreasing. As of this moment what we have spent has been a good investment, and I think it ought to go on, while we

work patiently and constantly to improve it.

The Clerk read as follows:

Atoms for peace: For assistance authorized by section 419, \$5,500,000.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask some member of the subcommittee if this appropriation provides for the building of any reactors in any foreign country.

Mr. TABER. There are some reactors for some foreign countries, yes, experimental jobs built on a small scale and not high-priced jobs.

Mr. GROSS. Is this \$5.5 million for administrative expenses?

Mr. TABER. No. Largely for the development of these outfits and for peaceful purposes. As I remember it, there is one in The Netherlands and one in Italy and one in the Far East somewhere.

Mr. GROSS. Have we set up this Atoms for Peace headquarters in Austria?

Mr. TABER. Yes.

Mr. GROSS. Does this provide for any buildings or any fancy trimmings for that setup?

Mr. TABER. No fancy trimmings; for a building, I think, but I do not know exactly about that.

Mr. GROSS. Can they put up a building out of counterpart funds?

Mr. TABER. Well, they use that as far as they can. However, it does not take any less appropriations to use counterpart funds, because they are required always to go to the Treasury and pick up these counterpart funds with American dollars. So, when they use counterpart funds there is a charge made against our appropriation just the same as if they were using American dollars, only in that way the Treasury gets the money and we get rid of that much of counterpart funds.

Mr. GROSS. Then when you shake it all down, 85 cents does not come back out of every dollar that is spent on this giveaway program?

Mr. TABER. I do not know anything about that 85-cent business.

Mr. GROSS. All right, then, 75 cents.

Mr. TABER. I have never made that statement.

Mr. GROSS. But the gentleman has heard that statement made on the floor, has he not?

Mr. TABER. I have never made it.

Mr. GROSS. Some of them say 75 cents, some say 85 cents; take your pick. But it does not come back.

Mr. TABER. Some programs yield better than 100 percent, and others, perhaps, do not yield 5 percent or 1 percent.

Mr. GROSS. In terms of dollars and cents, which one yields better than 100 percent? That is the one I want to find out about.

Mr. TABER. They might be the two big items, military assistance and defense support. In many places they will yield a full 100 percent benefit in return; not in dollars, but in the dollars that we otherwise would have to spend for our own troops.

Mr. GROSS. That is what I thought, that this is all a bunch of hokum that we get back 100 percent in terms of dollars, or even 75 percent.

Mr. TABER. We get it back in dollars by reason of the fact that we do not have to spend so much on our own forces.

Mr. GROSS. Of course, if money is not spent we do not have to worry about getting it back under any circumstance.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes.

Mr. HOFFMAN. Yes, you do. Does not the gentleman see how that works?

Mr. GROSS. No; suppose the gentleman tell me.

Mr. HOFFMAN. You give it to them and you do not get it back, but you do.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

The Clerk read as follows:

President's Special Authority and Contingency Fund: For assistance authorized by section 451 (b), \$100 million.

Mr. MILLER of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Maryland: On page 4, line 4, strike out "\$100 million" and insert "\$155 million."

Mr. MILLER of Maryland. Mr. Chairman, this amendment is rather simple in that it involves just one item. It is a very important item, although it is not one of the large items. The amendment raises the figure from \$100 million to \$155 million, which is the amount of the authorization. It is the President's Special Authority and Contingency Fund.

\*As I say, this is a quite important item. In my opinion, it is one of the very critical items in this bill. The budget request was \$200 million. The amount provided in this bill is \$100 million, which is a 50 percent cut on what is one of the most sensitive items, in my opinion, in the whole measure. The amendment seeks to raise the amount to the figure in the authorization, which was considered rather fully the other day.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. Briefly.

Mr. GARY. Is not the amount that is in the bill at the present time the exact amount that the House approved in the authorization bill?

Mr. MILLER of Maryland. The amount that is in the bill now is the amount that was originally adopted by the House but, as a result of the conference, that item was fixed at \$155 million.

Mr. GARY. But it is the amount that the House originally adopted in the authorization bill?

Mr. MILLER of Maryland. That is correct. But the authorization now provides \$155 million and I think it is all needed, and I seek it because I think that a 50 percent reduction in this important item, from what was requested by the President, is dangerous.



If you will refer to page 65 of the RECORD it says:

To meet the changing world situations, to maintain the initiative, to respond effectively wherever the interests of the free world are in danger—these purposes require a contingency fund.

It goes on to say:

Natural disasters, economic, political, and military crises, new strategic requirements, new Communist moves—all may call for action in the security interests of the United States.

In the past we have implemented this purpose by various legislation providing sums in a larger amount. To give an example of some of the types of things it has been used for, when the Hungarian relief situation suddenly broke it was from funds of this character that the \$30 million that was needed immediately was forthcoming. In 1957 that was one of the items. In 1958 we had to call on these funds for Jordan, and for the United Nations expeditionary force in the Suez.

In 1957 it required \$215 million for this. This year already about \$165 million has been used. On page 1235 Mr. Barnes testified that the total possible new program needs for the fiscal year 1959 now foreseen apart from those arising from unexpected developments would require the entire \$200 million. This money will not be spent unless the needs are urgent and considered as in the best interests of the United States by the President of the United States. In some years these contingent funds are not used at all or only nominally, but as we are in a position of world uncertainty and frequent sudden emergency, it seems to me a most inopportune time to reduce the emergency contingency fund which we give to the President of the United States, who is charged with meeting these needs as they develop under all circumstances.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. WILSON of Indiana. If this amendment is defeated and the original amount remains at \$100 million, the President, if he needs the money, can come in after the Congress meets next year and ask for a supplemental appropriation?

Mr. MILLER of Maryland. Certainly he can, but if a matter of great urgency and great secrecy and requiring great dispatch arises and the Congress is not in session, it might be too late to make a move that might be of the greatest importance to us. If we believe in our system, if we trust our President, I do not see how we can deny him these funds.

Mr. SIKES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to point out 1 or 2 things that I believe to be consistent in connection with my position on this amendment, and then I want to ask the chairman of the committee a question or two about the provisions of the bill to which the amendment is directed.

It appears to me that this is a new program which provides additional unbudgeted emergency funds for the President and which has been projected in

addition to a similar program which contained a very large amount of money last year and which is repeated this year. A special assistance program of \$225 million was, as I understand it, appropriated last year to do the same work. This year that same fund carries \$185 million. There is in this new program which is now under discussion \$100 million more, making a total of \$285 million to do the job for which \$225 million was appropriated last year.

It would appear to me that since we already are giving more money than we appropriated last year for the purposes outlined, there would be little justification for an increase of \$55 million as recommended by my good friend from Maryland.

I should like to ask the distinguished chairman of the subcommittee, who is a dedicated and sincere public servant and who has done one of the very finest jobs on this bill that I have seen in all the years I have been in Congress, if there has been justification for this expenditure from the standpoint of actual anticipated needs or expenditures or of what might be expected could be accomplished by this additional expenditure. Please bear in mind this is an expenditure over and above the \$285 million already planned. Then tell us if there is complete justification for the \$285 million which the committee has recommended. What may we expect from this expenditure of money?

Mr. PASSMAN. I might state, Mr. Chairman, that the members of the subcommittee are just a bit embarrassed over this item because you have an unexpended balance of \$3,403,000,000 in the different categories of economic aid. The President can transfer up to 10 percent out of any one of these programs. Also, you have the former names of many similar programs. You have defense support, development loans, development assistance, and special assistance. This is a brand new one, with a different name. Here is what they gave us to justify the money and I quote from the record of the statement of Hon. Robert G. Barnes, Special Assistant for Mutual Security Coordination, Department of State. He said:

Because the \$200 million appropriation for the contingency fund for the next fiscal year is designed to make it possible to respond to new, unforeseen, and contingent requirements, there are no illustrative programs to back up this request nor any means of making an exact estimate of the funds needed.

This is the quotation and we are just a little bit ashamed that this has been brought out, but we could not explain it otherwise.

Mr. SIKES. Is it not true there is language in the bill providing \$285 million to perform all the emergency requirements that \$225 million was considered adequate for a year ago? Certainly, there will be contingencies and there will be emergencies and the President should have adequate funds with which to meet them, but if we are now giving \$285 million to do the job that only required \$225 million last year; is there any justification for an increase now of another \$55 million?

Mr. PASSMAN. The gentleman's entire statement is correct. You have that money available.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. MILLER of Maryland. May I say in answer to the gentleman's question and it is a very proper one, that the answer is fully set out in the record of the hearings at page 1233. This is a contingency fund and it is new in the budget handling, but not for the programs that were covered by the previous years. If the gentleman will read page 1233, he will see that this does not refer to any specific program that has been presented in the past.

Mr. SIKES. It is impossible to know what is going to be required in the way of emergency funds, but I submit that we already have in this bill \$60 million more than was provided a year ago to meet emergency requirements even though we do not know how or for what the money will be spent. This is simply a blank check.

Therefore, there is no justification to add \$55 million more onto the \$60 million that we have already provided over and above and in addition to last year's appropriation.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I agree that the change in the accounting setup as between last year and this year is somewhat confusing as the gentleman from Florida points out. But, I have taken some pains to go into this thing and I do not think his premise is a correct premise.

Of the \$255 million which was appropriated last year—(a) for special assistance and (b) for contingencies \$78 million was allocated to special assistance leaving \$147 million available for contingency purposes.

How much money has been spent against that \$147 million in the fiscal year 1958? The entire \$147 million has been utilized and over and above that we have gone in the red to the tune of \$40 million by borrowing from another fund which could ill afford to lose it.

In other words, in 1958 we utilized a total of \$187 million whereas in 1957 we required \$215 million and in 1956, \$265 million.

This amendment would call for an appropriation of \$155 million in 1959 which is substantially less than what was used in 1958, 1957, or 1956.

It seems to me that a contingency fund with real elasticity in it is absolutely vital under present world conditions.

We have Lebanon on our hands today. We may have some other country tomorrow. This Congress is going to adjourn shortly. The President must have a fund which he can utilize in the event of a vital emergency.

If you want to tie the President's hands, if you want to leave him without sufficient funds to meet such an emergency, if you want to fly in the face of experience, then, of course, you should vote down the amendment offered by



the able gentleman from Maryland [Mr. MILLER].

For my part, I think it is of vital importance and I am more than happy to support it.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. TABER. Mr. Chairman, I want to compliment the gentleman from Massachusetts on his statement. I agree with him wholeheartedly. I feel that this amendment should be adopted.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have endeavored not to tax your patience today. But let me state, to guard against misunderstanding, this same item is also included under several other categories of the program. I think it is only fair to the membership that we should point out those items.

There is available under the President's Asian fund a total of \$88,677,000. A large portion of this fund is unobligated, and the committee recommended that any unappropriated funds be carried over. That action was not even requested, but the committee recommended it.

I think you should also take into account that there is a total of approximately \$600 million in the development loan fund that can be used for just about any purpose.

Then there is the development assistance fund, for which you have not made appropriation, but with \$168,211,000 on hand.

And moving to the special assistance fund, there is a total of \$311,288,000. That is for the same type of uses.

Now, they come up now with a brand-new fund. I can only use the statement that was presented to the committee to justify this amount.

I certainly hope the membership will listen to this: The Foreign Affairs Committee of the House asked only \$100 million for this item. It went to the other body and they increased the amount.

Because the \$200 million appropriation for the contingency fund for the next fiscal year is designed to make it possible to respond to new and unforeseen needs, there are no illustrative programs to back up the request, nor any means of making an exact estimate of funds needed.

It amounts to nothing less than a blank check.

Although we discussed this fund at length, and were critical of the procedure, we backed up the position of the Committee on Foreign Affairs.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. MILLER of Maryland. On page 1235 the statement of the witness was:

However, an appropriation of less than \$200 million may mean the difference between meeting or failing to meet unpredicted challenges to our security in fiscal 1959.

And he goes on to specify why he says that. Now it is not fair to say that there is no testimony on this matter.

Mr. PASSMAN. I, myself, have just been reading, word for word, what the witness said when he came before the

committee, which was, in substance, that there has been no program to back up the amount requested for new and unforeseen requirements.

Mr. GARY. Has not the House already voted on this very question in the authorization bill?

Mr. PASSMAN. That is true. This committee was reluctant to recommend any funds, but decided finally, after critical consideration, to go ahead and support our own Committee on Foreign Affairs, in the amount originally requested.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. WIGGLESWORTH. The gentleman has mentioned several other funds which he said could be utilized for unforeseen emergencies.

Mr. PASSMAN. That is correct.

Mr. WIGGLESWORTH. As far as I know, outside of the transfer provisions of the bill, there is not a dollar that can be drawn on outside of the requested contingency fund.

All of the funds which the gentleman has mentioned are fully obligated; or, in one case, lapsed.

It is true the House voted \$100 million in the authorization bill originally. But it also voted \$155 million in the conference report on that bill.

Mr. PASSMAN. Perhaps the gentleman can enlighten me. What is the purpose of the \$185 million under "Special assistance"? For what is that money to be used?

Mr. WIGGLESWORTH. It is all programmed.

Mr. PASSMAN. I thank the gentleman.

There is \$185 million new money. We backed up the Foreign Affairs Committee. If the gentleman will refer to the table he will observe the amount of \$311,288,000.

Mr. WIGGLESWORTH. Is the gentleman referring to the funds for "Special assistance"?

Mr. PASSMAN. There is \$185 million for special assistance.

Mr. WIGGLESWORTH. Is the gentleman referring to the old program.

Mr. PASSMAN. No; no; no; this is new money, in this year's bill.

Mr. WIGGLESWORTH. It is all allocated to definite program.

Mr. PASSMAN. Can it be used for some purpose for which the President might want to use it?

Mr. WIGGLESWORTH. No; except under the normal transfer provisions.

Mr. BUDGE. Mr. Chairman I rise in opposition to the pro forma amendment.

Mr. Chairman, I should first like to deal very briefly with the subject which was under discussion just prior to my taking the floor.

I think it is obvious from the facts in connection with this bill that the President has a great deal of latitude. It appears that he can transfer 10 percent of the funds available to him for mutual assistance to this contingency fund should he so desire.

I read from page 1235 of the committee hearings the following statement. I quote the Department witness:

In fiscal year 1956, \$100 million was available to meet contingencies; in fiscal year

1957, \$200 million was available; and in fiscal 1958, \$147 million was available for such purposes, an amount which we have been forced to supplement by the transfer of \$40 million from military assistance.

The thing that really disturbs me about this particular provision of the bill is that I think it is an abdication of the prerogative and duty of the Congress of the United States to specify the purposes for which funds are to be appropriated and used.

When we give the President of the United States the 10 percent transferability provision we are certainly giving him unusually wide latitude. But when we have a presentation such as this where the Department asks for \$200 million, the House Committee on Foreign Affairs and the House of Representatives working its will approved a figure of \$100 million, which is the amount carried in this appropriation bill. The ICA did not change that appropriation request for \$200 million either when the bill went through the House of Representatives or when it came back from conference. It came back from conference in the amount of \$155 million, and everyone knows that the Department request if it were included in the bill would be subject to a point of order, because it would not be authorized. But they did not come up here and revise the amount of the request to \$155 million which they should have done.

In another item where \$8 million more than they had requested was included in the authorization bill for training the ICA immediately came back to the Congress and included the \$8 million request in this bill, and it is in here. Why did they not do the same thing when the item was decreased?

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield.

Mr. HAYS of Ohio. I agree with the gentleman in what he is saying. I am not in disagreement as to what they should have done, but I would just like to point out that the \$8 million was put in by the members of the conference committee because we had had testimony to the effect that some of the people they were sending out were not doing the job they should have done because they did not know how to do it, had not been trained for it. They did not request the change. This was practically forced onto them. The gentleman is right. When it was pointed out to them they did request the item. I agree they should have changed this request for this other item.

Mr. BUDGE. It seems to me that comity with the Congress would indicate that they should accept the reductions along with the increases granted them by the Committee on Foreign Affairs and by the Congress.

Mr. Chairman, I further wish to call to the attention of the committee the fact that in this bill you have \$60 million more in this item than was granted for the year 1958. By adding the 2 figures, the 185 and the 100 million, you come up with the figure this year of \$285 million. Last year the total for both was \$225 million. When you look at the justification for this appropriation I do not see



how we in good conscience can approve the amendment that has been offered.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

(By unanimous consent (at the request of Mr. BUDGE) he was allowed to proceed for 5 additional minutes.)

Mr. BUDGE. Mr. Chairman, under the testimony which was given to the Appropriations Committee how can we tell whether there is any need for this additional \$55 million in the face of the statement of the Department witnesses where they said in so many words:

There are no illustrative programs to back up this request nor any means of making an exact estimate of the funds needed.

Certainly when we have approved the 10 percent transferability in this program, we have given the President all the latitude which he could possibly use to put out 50 fires of the magnitude under consideration in this item and without putting another \$55 million in this item.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BUDGE. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. My first point is this, and I am sure the gentleman means to be fair: He is criticizing the witnesses for asking for \$200 million when the authorization was for only \$155 million.

Mr. BUDGE. My criticism is not that if I might reply to the gentleman. My criticism is that when the authorization was reduced from \$200 million to \$155 million the Department should have come up and requested the reduced amount just as they did with the increased amounts.

Mr. MILLER of Maryland. I can understand that except for the fact the record from which I was quoting was made before there was any authorization. The testimony of these witnesses was not bucking the decision of the Congress. They were testifying at the time for the request of \$200 million. Therefore, I do not think they should be criticized.

Mr. BUDGE. There is a very easy answer to that. They requested \$8 million dollars for training. That was given in the authorization bill and is exactly, except in reverse, the same thing as this item to which I referred. The answer is quite obvious.

Mr. MILLER of Maryland. Just to keep the record fair, as I tried to point out, these witnesses were not schemers or up to skulduggery. In this case the testimony was delivered before the Congress had acted on the authorization and I do not think there should be any criticism of them.

Mr. BUDGE. I would like to point out to the gentleman from Maryland that I am not criticizing the testimony of the witnesses as it appears in the hearings. I am simply quoting them.

Mr. MILLER of Maryland. Then we are in agreement.

Mr. BUDGE. I am criticizing the action of the ICA in coming up here and requesting the additional amount which was approved in the authorization bill and not requesting the lower amounts which appear in the authorization bill.

By not doing so they make it appear that a figure of \$200 million is authorized by law.

Mr. MILLER of Maryland. I want to say one more thing to the gentleman. I do not understand how he feels that the Department could program any unforeseen emergencies. It is true that the \$55 million may not have to be spent, there may be no emergency; but past history has shown that every year there have been emergencies and I do not like the idea of having no money to meet them.

Mr. BUDGE. I think the answer to that is very easy, if I may say so to my friend from Maryland. The committee hearings on page 1233 say this, speaking of this contingency fund, that these funds could be used, for example, to provide "military assistance, defense support, special assistance, or technical cooperation." In other words, they can be used for any of the specified purposes which is in the bill. The amendment is simply adding another \$55 million to the express purposes which you have in the bill where there is already a 10-percent transferability within the discretion of the President of the United States.

Mr. MILLER of Maryland. That is true, but sometimes, when you take 10 percent off of a very important item, it does almost as much harm as if you took it all.

Mr. JUDD. Mr. Chairman, I move to strike out the last word in order to make two brief points.

The first is on this question of the amount authorized by the House for the contingency fund. It is true that the House Committee on Appropriations reported this bill out last Friday morning authorizing only \$100 million for this item. It is also true that a few hours later the House itself by a substantial majority adopted the conference report authorizing \$155 million. The official vote of the whole House coming after the action of the committee should supersede the action of the committee and the figure it reported out.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. If you are going to cite the action of the House, the House also voted in the beginning to authorize \$100 million, and that was debated and argued and voted on, and the gentleman knows as well as I do that the House accepts conference reports at times with items in them that they are not fond of. But, that does not mean that they accepted this item lock, stock, and barrel.

Mr. JUDD. I said that the RECORD shows that the last action of the House was a big vote in favor of this larger figure.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. The gentleman understands, of course, that there will be another conference between the conferees on this side and those on the other side on this very item.

Mr. JUDD. I am aware of that and will hope for the best.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Indiana.

Mr. DENTON. When this bill was originally in the House, the authorization bill, did you offer an amendment to have the sum increased from \$100 million to \$155 million?

Mr. JUDD. No; I did not. There were several other amendments I would have liked to put in also, but, as you well know, one does not like to go to conference with votes against his proposals.

Second, Mr. Chairman, I want to correct any impression that may have been given that the special assistance fund is more or less unobligated or unprogrammed, and that the President can reach into it for substantial amounts for contingency purposes. The administration asked for \$212 million for the special assistance fund. It has been cut in the appropriation bill to \$185 million, which I believe is too deep when one considers the countries that are to be taken care of out of the fund. Certainly there will be nothing left over for contingencies. The special assistance goes to, among others, the following: West Berlin, Iceland, Ethiopia, Libya, and Morocco, where we have some of our most important air bases in the world; Tunisia, Sudan, Afghanistan, Iraq, Israel, Jordan, Lebanon, Nepal, Burma, Bolivia, Guatemala, Haiti, the Hungarian refugees, the Algerian refugees, and the worldwide malaria eradication program. That is what the special assistance is programmed for. At the committee's figure, it is already, you might say, overdrawn.

Why is assistance to these important countries called "special assistance"? Because we could not properly put it under military assistance or under defense support which is economic assistance to countries to which we are also giving military assistance, and for military purposes. We are not giving this special assistance to those countries or areas because they have substantial defense forces which we are trying to build up; but they are vitally important for other reasons, including their geographical location.

We are trying to give those countries a better chance to maintain their independence, or their internal stability, or their alignment with the free world. They need economic more than military aid. It would seem to me that just reading the list of them and realizing their enormous strategic importance in various parts of the world, as well as other special considerations in some cases, would make clear why there are no extra funds in this category to be drawn upon for the President's contingency fund.

Mr. WILSON of Indiana. Mr. Chairman, I move to strike out the last word.

I am much opposed to this amendment, just as I am opposed to many other millions of dollars in this bill which may be used to bribe or pay off blackmail to some of these countries we have built up economically and militarily. I want to emphasize one point, and I want you to keep this in mind. If we continue on



this course of building these countries up economically and militarily, one of these days the economic strength of our country will not be sufficient to pay off the bribes and the blackmail requirements of these countries we are thusly keeping friendly to us. Let us keep that in mind.

I repeat, we have already been guilty of paying off bribes in countries we have built up for free world security. How much longer can we carry this burden? How long before they desert us or betray us after our money runs out?

I have heard the words "our friends" so often here this afternoon. I have been trying to think of an appropriate definition, and the best I can think of is, parasite.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. MILLER].

The question was taken; and on a division (demanded by Mr. MILLER of Maryland) there were—ayes 55, noes 114.

So the amendment was rejected.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time so that I may ask the chairman of the committee 1 or 2 questions. Does his bill reduce the contribution to Formosa?

Mr. PASSMAN. That is a very difficult question to answer, I may say, for this reason. Is the gentleman speaking of the defense support item only?

Mr. O'HARA of Illinois. Any contribution that we make to Formosa. And I might pinpoint my interest. In considering the contribution, did the gentleman's committee consider the attack upon our Embassy and the lack of policing at that time?

Mr. PASSMAN. I am afraid I should have to reply to the question this way, that our committee is not a policymaking committee. We leave it up to the great Committee on Foreign Affairs and the other legislative committees to establish policy. We consider only the amount of money requested.

Mr. O'HARA of Illinois. Did the gentleman's committee receive any testimony on the lack of protection of our Embassy in Formosa?

Mr. PASSMAN. I am of the opinion that our committee would not have discussed that because, again, that is a matter of policy and the question would be up to the policymaking committee. We only look at the request for appropriations and try to decide on the amount needed and then make our recommendations. We try to stay out of the question of policy.

Mr. O'HARA of Illinois. I appreciate the gentleman's conscientious avoidance of anything which would have the appearance of trespassing in matters of policy. The gentleman, of course, does not attempt to determine questions of foreign policy, but nevertheless foreign policy in its administration is affected by the appropriations that are made for that administration. I happen to know how hard the gentleman from Louisiana has worked with

his subcommittee because he and I live at the same hotel and always very early in the morning he is going to work and late in the evening has been coming in for a bite to eat and then going back to his office to work until the wee small hours. I assume that the gentleman has gone very thoroughly into every phase of the mutual assistance program. For instance, I notice on page 1056 of the hearings after Mr. GARY had asked the question concerning Chiang Kai-shek forces in Formosa that there is a notation to the effect that the discussion is off the record. I do not wish the gentleman to divulge any information that was contained in testimony that is off the record. The reason for my question was to ascertain if there had been any discussion that is not off the record that bore upon the attack upon our Embassy in Formosa at a time when the Generalissimo's son was charged with responsibility over the policing force. At the time I had read something in the newspapers about this circumstance, and I was very unhappy about it. I had wondered whether it had been discussed by the gentleman's subcommittee. As I have not had time to go over all the 1,566 pages in the hearings, I thought the gentleman would direct me to any printed testimony on the subject if there had indeed been such discussion. This incident, as I recall, occurred about the time, or perhaps shortly afterward of some mob disorders in Japan, and these might have been minimized in the popular mind by the passage of time had it not been for the mob attack upon our Vice President in Peru. There are too many of these mob attacks. We were told in the newspapers that the disturbance in Peru reached a high degree of frenzy largely because there was not adequate police protection. This lack of adequate police protection, we were told in the newspapers, was in large part responsible for the very serious mob attack upon our Embassy in Formosa, and that unfortunately the Generalissimo's son was in charge of the police. That was something that came as a shock to the American people.

I do not think that anyone will contend, and certainly it is not the thought with which I wish to be associated, that the lack of adequate police protection in Formosa was intended. But good intentions are not a sufficient protection against mob violence on the dignity, the honor, the security and the possessions of the United States in lands for whose people we are doing so much and the Governments of which are bound to us by common aspirations and interests. It is always unfortunate when people become careless and too often inadvertence is responsible for the failure to perform a duty of friendship. I am confident that the unfortunate incident in Formosa, arising from lack of adequate police protection, came about from nothing more serious than carelessness or inadvertence, but I do think that it is proper to mention it here when we are discussing the mutual assistance program in or-

der that our friends may know that we expect of them the utmost diligence in protecting as well as respecting our honor, our dignity and our possessions, especially when among those possessions are documents and papers classified in character. I do not know that the subcommittee has discussed the Formosa incident and if it had done so and the discussion was off the record, I would not wish my friend from Louisiana to make any comment that would be violative of confidences. I presume there are many matters that do come up in the executive sessions of the subcommittee that to a certain extent affect foreign policy and also have proper relation to appropriations.

Mr. PASSMAN. We do discuss those matters off the record sometimes.

Mr. O'HARA of Illinois. I am not passing now on the recommendations of the gentleman's subcommittee or the merits of the bill under discussion, but I think the gentleman from Louisiana has done a tremendous job according to his convictions. I have seen him day after day, week after week while he has been working with his committee. I do not think any Member in this Congress ever has put in more hours and harder work on a job assigned him than the gentleman from Louisiana. I do not always agree with him, and certainly we are not in agreement on the development loan fund, which I vision as an instrumentality which experience will prove as sound as the Export-Import Bank, but I do admire his industry, his perseverance, his sincerity and his dedication to the things in which he believes.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the distinguished gentleman from New York, the ranking minority member of the great Appropriations Committee.

Mr. TABER. The gentleman asked whether or not the amount for Taiwan, or Formosa, would be reduced. The figure upon which the original allotments were made was \$835 million. The figure presented in the bill is \$700 million. This means that all of the countries that are going to receive benefits, including Taiwan, or Formosa, are going to be reduced.

Mr. O'HARA of Illinois. That is in a very vital area.

Mr. PASSMAN. We in our committee do not earmark these funds. The President can allocate all of them to one country or he can transfer them, like the transfer to Spain. They had some extra money, and they wanted to give it to—what is this little summer resort in the Pacific? Bermuda? They wanted to take money out of that and give it to Bermuda for a bridge. We did not do that. We do not earmark it to the President, and he handles it any way he wants.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Just listening to the remarks of the distinguished chairman of the subcommittee, I think what he



said gives ample proof that allocations of appropriations should be voted by the Congress on a country-by-country basis.

This would allow Members of Congress to vote the necessary and to reject the impractical. In this I know that the very able and well-informed gentleman from Illinois [Mr. O'HARA] has taken a firm position as a member of the Subcommittee on Foreign Affairs which made an intensive study of the question last year and so recommended to Congress in its report of inspection of the Middle East and Africa.

Mr. O'HARA of Illinois. I would say the gentleman from Ohio, for whom I hold a warm affection and whose analysis are keen and penetrating, is expressing the thought of many members of the Foreign Affairs Committee. Certainly I agree with him that appropriations for this program should be on a country-by-country basis and to that happy end we expect a great contribution to be made by the on-the-spot investigations and studies of the watch-dog subcommittee shortly to be named by the acting chairman of the Committee on Foreign Affairs.

Mr. PASSMAN. I should like to transfer the Bermuda Islands from the Pacific back to the Atlantic, if the gentleman will permit me to do that.

Mr. O'HARA of Illinois. I gladly would permit my good friend to do anything he wished, but I have only 5 seconds remaining, too short a period for the transfer he is suggesting.

Mr. VORYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the place is passed in the bill where an amendment might have been offered to restore the \$625 million for the Development Loan Fund. That part of the bill came up right after the amendment on defense support was defeated, and while a discussion was going on as to the nature of the amendment to be offered, the time for offering it had passed. It may be just as well that no such amendment should be offered, in view of the strategic decisions taken by the Democratic leadership in the House.

I cannot let this bill go to the other body, however, without saying something about this fund. As of today, the Development Loan Fund has approved \$228,100,000 in loans. They have earmarked \$39,300,000. That is a total of \$267,400,000. That leaves \$32,600,000 available. Their staff has approved, subject to review by the Board of the Development Loan Fund, which went into effect under the new law yesterday, \$70 million more. So that the fund will be out of business, as far as having any further money to program, unless and until this bill goes through. If it goes through on the \$300-million basis, they will be out of business 6 months from now, for in the last 6 months they have committed \$300 million. They have \$1,601,000,000 in applications for loans.

Just a few minutes ago there was delivered to me a report entitled, "Sino-Soviet Economic Offensive in the Less Developed Countries," a booklet from the State Department, 111 pages long, describing the economic warfare carried on by the Soviets. It is pointed out that

economic aid to the satellites in the last 2 years from the Soviets amounted to about \$1,200,000,000. That is minus Communist China. As has been mentioned here before, there has been a total of aid for \$1,947,000,000 outside the Iron Curtain, of which economic aid is \$1,569,000,000 and the rest is military.

Here are the countries receiving Soviet aid: Egypt, Syria, Turkey, Yemen, Afghanistan, Cambodia, Ceylon, India, Indonesia, Nepal, Iceland, Yugoslavia, and then some in Latin-America. In 1955 Nikita Khrushchev said to a group of United States Congressmen, and I am quoting Khrushchev:

We value trade least for economic reasons and most for political purposes.

This is the kind of warfare that is going to go on from now on. If we can arrange to carry on that warfare with loans instead of grants, we may be able to win in the struggle. The list of countries that I have mentioned shows you that the countries that receive aid from us also have some programs with the Soviets. We cannot be in the position of letting these countries bid for support from us or from the Soviets. We have to figure out ways, however, so that countries that want to remain independent and stable can do so, even though they may accept some aid from the Soviets. That is the function of this development loan fund. I hope before we wind up this session of the Congress that we will take action so that we will not have it going out of business for want of funds along about the first of the year.

Mr. McCARTHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it was my understanding that a motion to restore the full \$625 million Development Loan Fund would be made during the course of this debate. The gentleman from Ohio has explained why that has not taken place. I suggest it might be included in the motion to recommit. If we really do accept as a fact that we are involved as a part of the cold war in an economic war with the Communists, then trade is not sufficient and aid is not sufficient, but we need a three-pronged economic attack which includes what is proposed and what is sought through the economic development-loan program, namely, a program for strengthening the internal economies of the nations that are our friends. The Committee on Foreign Affairs has approved \$625 million for this program. We should at least appropriate that amount here today. We must realize that appropriations with reference to foreign and international programs are not of the same nature as appropriations for domestic programs. We can examine domestic programs carefully and we can review them, but in this case the appropriation is in the nature of an authorization and the authorization is in the nature of an appropriation and both of them relate to fundamental policies which cannot always be carefully programmed. A second consideration which I think is important is that which arises from the argument that we should leave some room for bargaining with the other body. This, it seems to me, is a strange

argument to hear made in the House of Representatives because the House has the primary and constitutional responsibility to make appropriations. It is my opinion that the House should take a firm stand for what the House thinks is necessary. We should not accept the argument that we ought to go somewhat below a certain figure because the other body may force us to come somewhat higher. It seems to me these two things, really, the integrity of the House and its primary responsibility for appropriations and, second, the consideration of the very nature of our economic and political conflict with the Soviet Union are involved in this debate and this action.

Mr. MEADER. Mr. Chairman, I rise in opposition to the pro forma amendment.

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. MEADER. Mr. Chairman, I oppose amendments to increase the foreign aid appropriation.

Each year since the beginning of my 4 terms of service in this body I have voted for foreign aid authorization and appropriations bills. But just as consistently I have supported all reasonable proposals to reduce the amounts requested by the executive branch because I believe the budget requests, both under Democratic and Republican administrations, consistently have been excessive. That undoubtedly is due to the fact that the bureaucracy administering foreign aid which prepares the estimates has remained essentially the same under differing administrations, under a succession of administrators and under a variety of labels.

I have supported the foreign aid program in the belief that it is sound national policy to assist foreign countries in their efforts to resist military aggression and subversive infiltration of international Communist imperialism.

It is clear to me that this important objective can be achieved through helping free foreign countries which have the will to do so to achieve such economic and political stability that they will have the internal strength to resist, in alliance with others in the free world, the onslaught of the Communist movement.

As I view it, the foreign aid program, if it is sound and if it is well administered, should work itself out of a job. As internal stability is achieved, expenditures should be reduced and ultimately eliminated. The program should taper off. To come in here year after year for essentially the same huge amounts is an admission of failure. To propose that the program be fastened on us permanently is to advance a completely new and different purpose.

The gentleman from Louisiana [Mr. PASSMAN] and the gentleman from Ohio [Mr. VORYS] yesterday engaged in a rather heated controversy. Both asked us to follow their leadership and to have faith in their expert knowledge of the subject based on their long and penetrating study. Both claimed to rest their position on fact and realities, implying, if not directly saying so, that the other's



position was based on generalities and abstractions.

The truth of the matter is that neither the gentleman from Louisiana [Mr. PASSMAN] nor the gentleman from Ohio [Mr. VORYS] nor anyone else can base his position as to the correct amount for this program on fact or reality because the program is not presented in that fashion. The witnesses from the executive branch advocating these expenditures studiously avoid factual presentations.

As a member of the International Operations Subcommittee of the Committee on Government Operations for 6 years I have been trying to find out what the International Cooperation Administration bureaucracy actually does with the money after we appropriate it and how its expenditure is related to our national policy or to the presentation made to the Congress. It has not been easy, largely because the International Cooperation Administration consistently and successfully has operated in the clouds of abstractions, generalities, and imponderables. They present illustrative budget requests. They determine levels of defense support by means of occult guidance. Programs are evolved out of political urgency.

Small wonder the gentleman from Louisiana and the gentleman from Ohio cannot agree. They have no better chance of reaching a sound foundation of fact than the medieval theologians who hotly debated the number of angels which could stand on the point of a pin.

Mr. Chairman, our International Operations Subcommittee, under the able chairmanship of the gentleman from Virginia [Mr. HARDY], has repeatedly called attention to the loose and ambiguous phraseology employed by the ICA and State Department witnesses in telling the Congress what they plan to do to carry out the foreign-aid program.

This vagueness results not only in confusion and lack of clear understanding on the part of the Foreign Affairs and Appropriations Committees and the Congress itself, but also renders almost impossible an effective appraisal of performance by the International Operations Subcommittee in discharging its duty to study foreign-aid operations with a view to determining their economy and efficiency. Since no clear commitments are made to the Congress, it is difficult to ascertain whether performance has fulfilled representations and promises made.

The Hardy committee, in its report on United States aid operations in Iran, filed with the House January 28, 1957, called the attention of the House to the deficiencies not only of administration, but in the planning of programs and presenting them to the Congress.

For example in conclusion No. 4 on page 3 of House Report No. 10, 85th Congress, 1st Session, the committee said:

Amounts requested for United States aid to Iran seem to have been picked out of the air. There is no evidence that they were based on advance study of what the Iranian economy needed, the amount it could absorb, or programs which could be intelligently administered by the United States

personnel available at the time to expend the funds.

On May 15, 1957, after extensive hearings, the committee filed House Report No. 449, 85th Congress, 1st session, entitled "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration," in which the committee discussed at length the inadequacy of ICA's budget presentation. Among the committee's conclusions found on pages 16, 17, and 18 of that report are the following:

1. The illustrative method of budget presentation does not bind ICA to carry out any of the activities proposed to the Congress. In fact, it permits the agency complete discretion in the use of funds, free of the restraints, checks, and balances generally imposed upon the executive branch. It does not provide the Congress with a full understanding of what the agency is doing, what it has done, and what it intends to do.

6. No clear and complete explanation can be found in the budget presentation, nor anywhere in the records of ICA, of the considerations that entered into the determination of the levels of aid proposed for particular countries. There is no practicable way to reconstruct this information.

8. Substantial dollar gaps exist between the amounts illustratively proposed for individual country programs and the amounts actually expended within the fiscal year for which appropriated; e. g., the total variance exceeded 30 percent for fiscal year 1956. This recurring situation raises a considerable question as to the validity of the levels of aid proposed.

9. The budget presentation does not include individual country data on stockpiled funds or on the pipeline of unshipped commodities. The Congress is not informed in the budget documents how long these funds have been available, nor the extent to which they have been carried over from 1 year's appropriation to another.

11. ICA consistently asks for and receives more money than it has ever been able to use in the year for which requested. This practice has invited the hasty, last-minute obligation of unused funds, which precludes their return to the Treasury.

On February 27, 1958, the committee specifically discussed defense support funds in House Report No. 1374, 85th Congress, 2d session, entitled "Use of Defense Support Funds for Economic and Political Purposes." Among the committee's conclusions are the following:

1. The definition of "defense support," the largest single element in the mutual security program other than "military assistance," is interpreted so broadly by the executive branch that it is virtually impossible to determine whether or not an expenditure made under it is in accordance with legislative intent.

4. Although a pretense is made that the amount of aid funds programed for each country is determined by expert economic judgment, the subcommittee has found no evidence that this is the case. The annual congressional presentation books for the mutual security budget contain no explanation, nor has any foreign aid administrator ever been willing or able to explain to this subcommittee how and why any particular level of aid has been determined.

The committee has just recently, on June 26, 1958, filed House Report No. 1012, 85th Congress, 2d session, on foreign aid construction projects where inadequacies of planning and administration were found to exist in specific highway construction projects in Cambodia and Thailand. The committee concluded:

The administration of major construction projects in the foreign aid program, by the International Cooperation Administration, has been inadequate, indifferent, and incompetent.

Deficiencies include—

1. Inadequate advance planning.
2. Defective standards and procedures for the award and administration of contracts.
3. Indifference to conflicts of interest.
4. Incompetent supervision of the procurement of construction equipment.
5. Poor coordination between field missions and Washington and among divisions in Washington having responsibility with respect to construction projects.
6. Excessive reliance on political urgency to excuse deviations from sound procedures.

As a consequence, achievement of the objectives of the foreign aid program has been impeded, the cost to United States taxpayers has been increased, and the dignity and prestige of the United States Government abroad have suffered.

The committee also called attention to the growing inclination of officials to justify expenditures on the grounds of political urgency, as follows:

6. Excessive reliance on "political urgency" to excuse deviations from sound procedures:

(a) The alleged justification for initiating projects without adequate prior planning is almost always "political urgency."

(b) The alleged justification for almost any deviation from sound procedure is "political urgency," as this subcommittee and the General Accounting Office have learned on numerous occasions.

(c) The ICA Deputy Director for Technical Services and his deputy exceeded their authority and acted with impropriety when they invaded the province of the Department of State and invited the Director of USOM/Thailand to develop a "political" basis for justifying the award of a contract to an engineering firm of the mission director's choice, whose proposal had been eliminated in the normal contractual process on the bases of high fees and overall costs.

Mr. Chairman, the road in Cambodia, in my judgment, not only was wastefully and incompetently administered by ICA, but I am satisfied that a careful preliminary study would have indicated that there was no justification for the project in the first place. On this point I interrogated the ICA Mission Director in Cambodia, Alvin E. Roseman, during the subcommittee's hearings in Phnom Penh last November. Mr. Roseman testified:

The principal justification was a political justification. \* \* \* I would not justify this project basically as an economic proposal. If you asked me if I would spend \$25 million of the taxpayers' money solely on this economic ground, I would say "No."

Mr. Chairman, apparently the only way effectively to compel the ICA bureaucracy to do a better job in spending money and in accomplishing the important objectives of the foreign-aid program is to cut down the amount of money they have to spend. As far as I can see from each successive inquiry of



our subcommittee, the conclusions and recommendations in our reports, as well as the admonitions of other committees, Members of the Congress, and prominent citizens, are completely ignored by ICA administrators who blithely and in cavalier fashion continue their freewheeling squandering of public funds. Cutting down these funds might conceivably have these beneficial results:

First. ICA might, as they should, seek to promote economic development abroad through the investment of private capital rather than spending public funds. This, as I view it, would be the most effective way of accomplishing the worthwhile objectives of the program.

Second. ICA might require, as they should, better preliminary planning on the part of the recipient government and a larger contribution to the cost by the recipient government on projects and programs they themselves consider of such value as to justify sacrifices on their part to achieve them.

Third. ICA then might be in a much better position to present to the Congress tangible proposals, with the studies, the facts, and the arguments to justify them. The Congress could then act upon factual knowledge rather than upon the nebulous, vague generalities which are all that Congress has been given in the past in spite of repeated efforts of its committees to obtain facts upon which, alone, intelligent judgment can be based.

Fourth. Obviously, the solvency of our Government would benefit from eliminating the waste and extravagance resulting from excessive appropriations.

Mr. Chairman, I think it is time the Congress served notice on the ICA and State Department bureaucracies that it is the judgment of the Congress that this program has been in existence sufficiently long so that its objectives of helping other countries to achieve internal economic stability should come into fruition; that the program in the future will be radically reduced in successive years; and that funds will be authorized and appropriated only when those asserting the need therefor by clear and persuasive evidence sustain the burden of proof that the programs and expenditures they advocate are worthwhile and will demonstrably contribute to our security and foreign policy interests.

In my judgment, the \$3 billion of new money provided in this bill is ample. I am inclined to believe on the basis of inquiries made by our International Operations Subcommittee that an even smaller sum intelligently and efficiently administered would go further toward achieving the objectives of the mutual assistance program. Nevertheless, I intend to vote for the bill even if no further reductions are made and shall oppose efforts to increase the appropriations.

I yield back the remainder of my time. Mr. PASSMAN. Mr. Chairman, I wonder if we cannot reach some agreement as to time for debate on this bill.

I ask unanimous consent, Mr. Chairman, that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana [Mr. PASSMAN].

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, how much will that give each of us?

The CHAIRMAN. The Chair observes 6 Members standing.

Is there objection to the request?

There was no objection.

The CHAIRMAN. Permit the Chair to ask the gentleman from Louisiana if he suggests that the bill itself be read, or does he desire to request that the remainder of the bill be considered as read and open to amendment at any point?

Mr. PASSMAN. It was my understanding that the gentleman from New York [Mr. TABER] asked in the beginning that the bill be read, and I think we should read the bill.

The CHAIRMAN. The gentleman from West Virginia [Mr. STAGGERS] is recognized.

Mr. STAGGERS. Mr. Chairman, I have been listening to the debate with a great deal of interest, as we do each year. I am going to vote for the bill, but I would like to offer a suggestion. I am going to vote for the bill reluctantly, because of the unemployed people I have in my district. They just cannot see sending a great deal of money abroad when they do not have things to eat in their own homes, or money to buy things for their children.

The suggestion I would like to make is this, that in my district, at Morgantown, W. Va., we have a large plant called the Morgantown Ordnance Plant that normally employs about a thousand people. At the end of last month it closed down two sections of the plant. And by November the people who now have it leased will be gone. The plant will be closed down and abandoned. It belongs to the United States Government. It originally cost around \$75 million and it today would cost \$150 million.

This plant is located in a labor distress area. When it is closed down it is going to add insult to injury.

My suggestion is that the Government, which already owns the plant, convert the plant to produce some product that can be used abroad, that can be used to help strengthen our allies, and give our own people employment, at least a thousand people there; or even 500 or any amount would be helpful. We would make our people happy and certainly would help other people abroad.

But no, we are going to tax those people who are unemployed and others to help send money abroad to spend so that people abroad can use our products.

They produce in this plant at the present time methanol, anhydrous ammonia, hexamine, and coke. Some of it could be used abroad. Right after the second world war the Heyden Chemical Company stepped in and kept the plant running after DuPont moved out, they produced fertilizer which was shipped to Germany and Japan as part of our program of rehabilitation of those countries.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. HOFFMAN. The gentleman is surely to be commended for trying to take care of his own people, but does not the gentleman realize that he is way behind the times? We cannot do it until the gentleman from Minnesota and these other fellows get everybody else in the world taken care of. I commend the gentleman from West Virginia for trying.

Mr. STAGGERS. I thank the gentleman from Michigan.

I will say this, in practically every Congressional district in America we could find some way of utilizing existing industries for the production of things that could be used abroad.

The CHAIRMAN. The gentleman from Michigan [Mr. HOFFMAN] is recognized.

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

[Mr. HOFFMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, we have heard a great deal yesterday and today about the cold war. I wonder who is really interested in fighting the cold war. Why, if we are fighting a cold war against Communism should we help in the construction in Russia of the biggest tire plant outside of the United States? Why should we help build it? Is there anything more strategic than rubber?

I ask again if we are fighting a cold war, why are we engaged with the British in building this big tire plant in Russia?

Now, with respect to funds for the Development Loan Corporation, I noticed two or three weeks ago that the Ford Motor Company bought 222,000 shares of capital stock in the Simca Motor Company in France. The same report states that the Ford Motor Company has been guaranteed by the State Department against expropriation of their investment in the Simca motor works in France up to \$3,500,000 or \$4,000,000. The Ford Motor Company is also guaranteed convertibility of French currency into dollars up to \$7 million. My question is, Is this part of the Development Loan Fund program?

Can the chairman of the subcommittee tell me whether any of the fund is used or could be used for guarantees to such an allegedly free enterprise organization as the Ford Motor Company?

Mr. PASSMAN. I may state to the distinguished gentleman from Iowa that this program is rather liberal. It is too early to determine just what would be available for loan.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. ANDREWS. The Congress is not consulted on those loans. The corpora-



tion is all powerful. It can make any loan it sees fit to make.

Mr. GROSS. Is the gentleman saying that these funds can be used to guarantee the Ford Motor Company's investment in France to manufacture a motor car they are going to ship in here, Ford being one of the great advocates of free trade?

Mr. PASSMAN. It is for undeveloped countries.

The Clerk read as follows:

SEC. 105. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

Mr. CANFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CANFIELD: On page 7, after line 2, insert a new section as follows:

"SEC. 106. None of the funds provided in this act shall be used to establish textile processing plants in any foreign country."

Mr. CANFIELD. Mr. Chairman, it is my understanding that the distinguished gentleman from Louisiana [Mr. PASSMAN], and the distinguished gentleman from New York [Mr. TABER], are prepared to accept this amendment. I have a good speech to document the case, and am prepared to deliver it.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. TABER. I would say that as far as I am concerned, I would accept it.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I am not in a position to speak for each member of the subcommittee on this side of the aisle on this question; but so far as my personal position is concerned, I am agreeable to accepting the amendment.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Is there not a great deal of danger, if this amendment is adopted, that it will seriously interfere with the Reciprocal Trade Agreements Act which we voted here to extend? I am sure the gentleman would not want to do anything to interfere with that.

Mr. CANFIELD. I cannot see that. I cannot agree with the gentleman. This is a wholesome, all-American amendment.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Chairman, let me assure the gentleman that I am most sympathetic to the purpose of his amendment.

On the other hand, I would feel that consideration should be given to numerous other industries suffering from foreign imports. For instance foreign oil and oil products are causing irreparable injury to the independent oil producer of this country. The domestic industry pays its share of the tax burden and no tax money from any source should go toward the development of any pipeline or refinery development in any foreign country.

Now, under these circumstances I would like positive assurance that no funds contained in this legislation would be used to further this damaging situation.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Louisiana.

Mr. BOGGS. Maybe we can legislate by two members of the subcommittee adopting an amendment, although I do not quite understand this way of doing business. I would like to have an explanation of this amendment.

Mr. CANFIELD. All right. The gentleman will have it.

Mr. Chairman, yesterday, it will be recalled, the distinguished gentleman from Louisiana read excerpts from a letter written by the ICA, Department of State, to the American Cotton Manufacturers Institute. In that letter Mr. Nathaniel Raifer, speaking for the ICA, told the institute that the ICA was prepared to establish textile plants in Indonesia. Among other things he said that:

ICA was set to make loans from its new development loan fund and to insure such investments against the political risks of expropriation, inconvertibility of currency, war damage, etc.

Further he said and I quote:

We might also be able to finance the installation of public facilities such as power, transportation, etc. . . . These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

Now, Mr. Chairman, the American textile industry is sick. Many mills have been liquidated in recent months. Unemployment is rife. Adoption of my amendment will be therapeutic. It may help the patient to sit up and I relate it here only to textiles, because the ICA letter was addressed to this industry alone.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The amendment was again reported.

Mr. WHITENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I commend the gentleman from New Jersey for having offered this amendment and the chairman of the subcommittee for having accepted it insofar as he was personally concerned.

As the gentleman from New Jersey has well said, the textile industry in this country is a sick industry. In my own particular congressional district we have 154 textile concerns, some of which own as many as 14 plants. So, our people are gravely concerned about what is happening in the industry.

Let me give you briefly some figures on textile employment. According to the Bureau of Labor Statistics in February 1951 there were 1,359,000 people employed in the textile industry. In June of 1957 this had dropped to 1,004,000, or a total loss of 355,000 jobs. Just a few days ago one of the newspapers in my district carried the headline on the front page reporting that 30 percent of the employable textile people in that community, which has several textile plants, were out of work.

Now, in this country of ours between 1952 and 1957 we had a loss of 2 million spindles in place in textile plants, but during 1 year, from July 31, 1956, to July 31, 1957, in the total world spindleage we found an increase from 129 million spindles to 131 million spindles, according to the International Federation of Cotton and Allied Textile Industries.

Mr. Chairman, I am a little surprised at the reference to reciprocal trade which was made a few moments ago because it appears that there is some notion that true reciprocal trade is not accomplished unless we permit the free shipment of foreign-made products into this country, and go one step further and use the taxpayers' money of this country to build those plants in foreign countries in order that they may manufacture and ship their products into the United States and put our people out of work. This is the first time that there has been tangible proof that reciprocal trade is an adjunct of foreign aid.

This is a serious matter with the working people in textile-producing areas of this country.

I believe that my district is perhaps the leading textile district in this Nation. With 227,000 people who work in textile plants in North Carolina concerned about the future of their own positions, and the future of their own families economically. I think it is time for us to accept the sort of proposition which we have here in the form of this amendment. It is, as the gentleman from New Jersey has said, an all-American amendment.

(Mr. FLYNT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FLYNT. Mr. Chairman, I support the amendment offered by the gentleman from New Jersey and I wish to associate myself with the remarks of the author of the amendment and the remarks of the gentleman from North Carolina [Mr. WHITENER].

It is unbelievable to me that the principal agency operating with funds authorized by this appropriation bill not only would, but actually has sought to encourage the building of plants and



industries abroad to compete directly with an American industry which is already suffering and suffering badly.

The amendment by the gentleman from New Jersey would prohibit the expenditure of any funds appropriated under this bill for the building, construction and establishment of any textile manufacturing plants with any of the funds made available under the provisions of this bill.

This amendment, and the prohibitions which it would include in the bill, are both sound and reasonable. It is foolish almost to the point of being suicidal from the standpoint of an overall national economy to permit the use of funds appropriated in a mutual security appropriation bill to establish competitive counterparts for any industry in the United States, especially an industry which is economically sick and one which is in a depressed condition.

The question has been raised and undoubtedly will be raised again, as to why the textile industry is being singled out in this amendment, or worded another way—opponents of this amendment might inquire, "why not include a prohibition against the establishment of any industry which would compete with American counterparts?"

In the first place, I would agree that none should be so established, but let me primarily answer why the textile industry is the only one included in the terms of this proposed amendment.

It has already been called to the attention of this committee that one Mr. Nathaniel Rafler, an official of the International Cooperation Administration, has extended open invitations to owners of textile mills and to any one interested in establishing a textile mill to apply for ICA funds for that purpose with a reasonable advance assurance that such an application would be favorably acted upon. I would like to quote from a letter signed by Mr. Rafler, which letter was addressed to the American Cotton Manufacturers Institute which reads as follows:

Confirming my comments of this morning, I wish to reiterate that ICA is prepared to render many forms of assistance to any one of more of your members who may be interested in establishing textile plants in Indonesia. If any one of them are interested in such an investment, we believe it would be preferable for the investment to be in the form of a joint venture with Indonesians so far as the equity is concerned.

ICA would be prepared to make loans from its new Development Loan Fund. We would also be prepared to insure such investments against the political risks of expropriation, inconvertibility of currency, and war damage. Furthermore, we could furnish technical assistance by financing on-the-job training in Indonesia or training here in America for Indonesians in technical and managerial skills.

We might also be able to finance the installation of public facilities such as power, transportation, etc., if not otherwise available near desirable plant sites. These and other possible means of ICA assistance could be discussed in detail with any of your members who may be interested.

In view of that, is it any wonder that those of us who live in districts where textile manufacturing plays an important role in the economy of our districts

and region should feel that this amendment is necessary.

Mr. Chairman, such an amendment is necessary, and it must be made crystal clear to those who administer the International Cooperation Administration and spend mutual security funds that the Congress of the United States will not tolerate such unwarranted abuse of administrative power.

Mr. Chairman, surely Mr. Rafler did not realize the full impact of what he said, because his statement amounts to an invitation to American textile mill owners to abandon their domestic operations, to force their employees on the rolls of the unemployed and immediately begin operations abroad under the most favorable conditions. Bear in mind, Mr. Chairman, that these most favorable conditions include favorable tax treatment, cheap labor inducements, insurance against naturalization by the government of the country in which such new plant would be located. In addition the International Cooperation promises to finance the installation of public facilities such as power, transportation and other facilities normally furnished by the community of which such a new plant would become a part. It is reasonable to assume that in order to induce owners of American industry to relocate abroad necessary housing for employees would be constructed. Streets, sidewalks and highways would be paved. Playgrounds and parks would be built. Possibly shopping centers would be constructed, as well as schools which the children of Indonesian employees might attend.

All of this, Mr. Chairman, while American employees in the abandoned American mills would go on unemployment compensation or on relief or seek to obtain lesser employment in an industry or trade different from that for which they are well trained and in which they are efficient employees. For every American displaced from his normal employment by such action, he, his wife and his children would suffer and suffer badly. And for what? For the further sacrifice of the jobs of American employees on the altar of one-world ideology.

Mr. Chairman, I have said before, I repeat now and I expect to repeat many times in the future that I believe that anything that is American is worth protecting and preserving. That applies to our form of government and our way of life, and, Mr. Chairman, it applies equally to American industry and to the continued employment of those men and women who are engaged in these critically situated industries.

I support the amendment offered by the gentleman from New Jersey, and I will support that and any similar amendment which will seek to protect American industry and the jobs of American men and women from the treacherous onslaughts of one-world dreamers whose final objective seems to be the destruction of everything that is American and its replacement by either a communistic or a one-world concept.

Mr. HENDERSON. Mr. Chairman, once again we have before us an appro-

priation bill to provide funds for mutual security, or foreign aid as it is more popularly called. I have listened to the debate this year and in the 3 years which preceded it in an effort to find some reason, some compelling reason, why I should support legislation of this magnitude and why I should recommend to my constituents in southeastern Ohio that this legislation should also receive their support. I have conscientiously endeavored to find a justification for increasing the debt obligation of the United States by an additional three or four billion dollars in order to provide funds for other nations—to provide funds to keep more than 40,000 people employed on the Government payroll—to provide funds for aid to some nations committed to the Communist cause—to provide funds to finance practices in some other nations which we would not permit in our own.

Mr. Chairman, the shocking thing to me is that so many of my colleagues are willing to provide this assistance in such a wholesale fashion in the face of clear and convincing proof of wasted, excessive, unnecessary, and unwanted programs. What is wrong with a little restraint? We are witnessing here on the floor of this House, hysterical insistence upon continuing on a broad scale a program which is not only costing us borrowed money upon which we, as taxpayers, will pay interest for years to come, but also, which is being administered in such a way as to destroy our own industries by providing financing for foreign entry into industrial fields in direct competition with industries in this Nation which are already depressed.

Much has been said concerning the invitation to establish textile plants abroad, to compete by use of underpaid labor with industries in this Nation which have had their backs to the wall for several years. The invitation to the textile industry is only one of several industries so threatened. We have recently passed an extension of the Reciprocal Trade Act in the House which, if concurred in by the Senate, will permit those same industries, once they have been established in foreign countries with American money, to ship the products back into this country with ever-reduced tariffs, thereby multiplying the damage being done to American industry.

Even though the foreign-aid program were doing all that its proponents claim in assisting downtrodden nations, in showing them the path to democratic government, and in assisting them to assist in defending us, we cannot escape the fact that its effect upon our own Nation is something less than wholesome. A program such as this cannot hope to be one which sets an example of economy in operation since it has as its purpose the wholesale spreading of dollars and goods throughout the world. The more that is spent, according to the proponents, the more good is being done. There is a contagiousness about a program of this type. Its practices, its excesses, its very existence are being used by taxpayers, Members of Congress, and bureaucrats alike as an



excuse for similar excesses in every walk of governmental life, in every phase of Federal activity. I receive so many letters from constituents back home whose preface to a request for a new or increased governmental program is the existence of a wasteful foreign-aid program. The letters, almost without exception, begin: "If you people down in Washington can throw away our taxpayers' money in lands that we never heard of, then surely you have a little bit of money to provide for ———." I have heard my colleagues in Congress rationalize their vote upon a new spending program by saying, "I cannot justify voting against this program for the people at home when I have sent so much money into foreign lands." The foreign-aid program is being used as a lever, as a foot in the door, for every type of wasteful, utopian, New Dealish program that can be conceived.

My colleagues, we cannot hope to improve the foreign-aid program by gallantly voting for it in its present form. I realize that we cannot defeat it. If some of the arguments which our colleagues who favor it have used are true, then, possibly, it would be unwise to defeat it. But, if enough of us who are highly critical of the program will express ourselves in words and votes enough to frighten the adherents and administrators of the program into believing that their gravy train is in danger, possibly, some improvements, some self-auditing will be the result, although I am afraid this is a little bit too much to hope for.

Mr. BYRD. Mr. Chairman, this bill is before us at a time when approximately 5 million able-bodied Americans are idle and looking in vain for gainful employment. We are asked to appropriate another round of \$3 billion for globalism when we have just finished a fiscal year with a staggering deficit. As we in this body consider this proposal to splash American substance throughout the world in some 73 countries, our own fiscal authorities are getting ready to seek another increase in the national debt.

More than a dozen years ago, the United States launched our foreign-aid program with high hopes, lofty ideals, and the conviction that we would be able to secure peace in this way. Now, more than a dozen years later, when we have expended more than \$82 billion in this vast endeavor, we find that the free world has shrunk, the Communist domain has been greatly extended, and peace is more precarious than at any time since the program was initiated.

In all quarters of the globe there are dangerous pockets of anti-Americanism; our embassies are stoned, our information program offices sacked, our nationals imprisoned, our Vice President scorned and spat upon, our flag trampled in the dirt.

There are those who say that this program will win us friends, strengthen and extend the free world, and make peace a certainty in our time. After years of pouring out our money we are confronted with a surging tide of resentment against America, attacks upon our motives and our integrity, and the insulting indict-

ment that we are suckers. Any resemblance between these gigantic giveaways and foreign policy is purely coincidental. For more than a dozen years, America out of the generosity of her great heart poured out her bounty that men everywhere might live in peace, and it is being thrown back in our faces. The time has come to call a halt to this economic folly; the time has come to suspend this global handout so we can resurvey the arena, as it were, take stock of the situation and rechart our course in accordance with economic realism and in the real pursuit of our national interests.

Mr. Chairman, I want the record to show that for the last 5 years I have supported this foreign-aid program. I have wanted strong, capable allies for my country. I have wanted to see the democratic world shored up. I have wanted to strengthen the world alliance against communism. Unfortunately, the results are not fulfilling the ballyhooed claims. We have found that friendship cannot be bought, that people everywhere resent being paid for as allies, that the programs designed to implement the authorized aid are being mangled through maladministration, that great waste has crept in, and that considerable of the substance of the aid has been dissipated long before it even got down to the people for whom it was intended.

There is a whole litany of complaints against this program. It is equally true that there has been misinformation spread about it to the detriment of the program but, when a proper balance is struck, there is enough evidence to show that it has been regarded by all too many of its employees as an opportunity for empire building careerwise, rather than for dispensing aid to deserving friends. The program has fallen far short of its acclaimed goals, and the continued imposition of its costs on the American taxpayer is proving a crushing burden. For those who insist that this program buttresses the American defense posture, I would remind them that no military effort can be any stronger than the national economy that supports it.

The question is just how long can this Nation go on at the pace of financial outgo it has been maintaining without our economic machine smashing up? The press last week featured the statement of Defense Secretary McElroy that defense expenditures next year will have to be stepped up three or four billions of dollars. He then made the grim prophecy that within the next 10 years it is possible the United States will be spending for defense at the rate of \$70 to \$80 billions of dollars annually. Think what this will mean in increased tax burdens. All of us have enough economic sense to know that a budget of this type will send the national debt soaring, will inflict punishing tax rates on the American taxpayer, and will impose on the national economy a burden that will be well-nigh insupportable.

What it will mean is that the business community will face high risks for the possibility of very little profit, venture capital will vanish, our economic system will stagnate, and the once great, flourishing American capitalistic economy, a

machine that produced the weapons that beat down every enemy that attacked it, will be in danger of collapse. Then there will be millions more unemployed, a whole new generation of young Americans will face the bleak prospect of careers on the dole, morale will be diluted with defeatism, and the once proud American dream will have tarnished and ended.

Khrushchev has blatantly boasted that our children will live under socialism. The Soviet economists frankly state that the American economy cannot sustain the stresses placed upon it. It is an ironic development that through our own prodigality, through our reckless and unwise spending, we seem to be rushing to keep the rendezvous which the Kremlin has predicted for us—economic ruin.

It grieves me as I stand here discussing this costly legislative folly to realize that in my own State of West Virginia, a State with a brilliant record of economic achievement in the past, whose able manpower and mighty industries have contributed so much to the Nation's benefit, that at this very hour thousands of men and women are unemployed. West Virginia leads the States in unemployment. We have thousands of people who are able, willing, and ready for work—but there is no work to be had.

—The Eisenhower administration, which is now pulling every political power trick out of the bag to get this multibillion-dollar mutual-aid bill passed, at the same time sits by and allows a flood of residual foreign oil to come in from abroad to provide cheap competition that is virtually ruining one of our major industries—coal. It is hard for me to understand or appreciate just what the administration is about, or up to. It will literally storm the ramparts for reciprocal trade, which has accounted for economic loss and ruin in West Virginia and elsewhere, it will march its minions up here to the Hill to deal and apply pressure for votes for foreign aid; yet, when it comes to economic rehabilitation on the homefront, it assumes an attitude of bland indifference.

Only recently the President was asked, among other things, at his press conference, how he felt about marshaling support in behalf of the legislation to aid distressed labor areas, and his answer was a masterpiece of ambiguity and indefiniteness; yes, nothingness. It has been shown that the chronically depressed areas of the nations are economic cancers in the body politic, that enlightened self-interest warrants drastic, and immediate steps looking toward restoring them to economic health, and yet the administration has eyes only for those far-off places at the outer reaches of the world. I guess distress, economic want, and lack of work within our national borders are too prosaic a matter for our one-world dreamers. The fact that the recession costs the United States Treasury millions upon millions in unemployment compensation, in distribution of relief to the needy, and still greater millions upon millions in products unproduced and consumer buying power denied the jobless through lack of



wages—all adding to a terrific economic deficit—all of this, I say, appears wasted on the planners who have their gaze riveted beyond the horizon. Their attitude seems to be: No taxpayers need apply; no Americans will be heard.

Those of us on the Foreign Affairs Committee whose responsibility it is to assess policies in terms of the impact on American interests know only too well that the management, or perhaps better, the mismanagement of this aid program, has caused us more harm than good. Right here on our doorstep, in Latin, South, and Central America we have seen how the American stock of goodwill is selling. The very regrettable incidents in connection with the ill-fated visit of the Vice President and Mrs. Nixon are testimony of how our aid policies have back-fired. These peoples south of the border are traditionally our friends. We have a common heritage, we are continental neighbors, we have stood together against threats and fought together against tyrants. They have a priority on our consideration. In the matter of allocation of aid, they should have a big share. Yet the fact is that they have been treated most shabbily, with the result that friendship has turned to resentment. In view of the way this aid has been flung literally to the winds it is understandable that the countries south of the border would feel that they are the forgotten people of the program. Discernment, intelligent planning, sound perspective, all of these requirements have been missing in this program. Our mistakes in country after country in Latin, Central, and South America have accounted for a climate of opinion that permits the Communists to sow anti-American sentiment.

Global do-gooding and bragging have only earned us a harvest of worldwide trouble. They have brought murderous and insulting attacks on Americans, wrecking of United States libraries in Algiers and Lebanon, imprisonment of our nationals in country after country, abuse, invective, and insults from the recipients of our aid.

A free purse is no substitute for a sound foreign policy. Pressuring gifts upon people does not promote the cause of friendship. Someone once asked India's Nehru what orders he gave his country's delegates when they went to an international meeting and he replied:

Our instructions to our delegates have always been, firstly, to consider each question in terms of India's interests, secondly, on its merits.

The patriots who won freedom for America and established this Nation wanted no part of tribute-paying or tribute-exacting. "Millions for defense but not 1 cent for tribute" has been a watchword in American history since our earliest days as a Nation. Bribing our way to world popularity is a dangerous and foolish expedient; in the first place, it is ruinously costly; secondly, it will not work; and, thirdly, it will produce the directly opposite effect. Now is the time to put a check on this program—this is the season for review and appraisal—this is the time to weigh the results

against the outgo and see which way the scale balances. The answer is plainly indicated. Our own public debt stands today at \$275 billion. The combined public debt of all other nations of the world amounts to only \$236 billion. In other words, our own public debt exceeds that of all other nations combined by \$39 billion. In a few days, we are told, the administration may ask the Congress to boost the Federal debt ceiling for the second time this session. Some say that a new temporary ceiling of \$290 billion may be sought. The administration now anticipates a deficit of \$3 billion for fiscal 1958 when all bills are paid and a deficit of from \$12 billion to \$15 billion is foreseen for the end of fiscal 1959. What is going to become of this Nation?

Under the Marshall plan, aid was extended to 14 countries. At that time, foreign aid had a clear, specific, and realistic part to play in helping to realize our foreign policy goals. Economic aid was designed as one instrument to help reconstruct the war-torn economies of Western Europe so that the democratic governments could resist the threat of Soviet domination from the outside and Communist subversion from within. Later, our military aid helped to speed European rearmament when it became apparent that there was danger that the Red Army might march across Europe. Our foreign policy goal was to build the defenses of Europe against the spread of communism. Foreign aid was one of the means used to do this. But it was only one instrument and it was integrated into a total effort by the United States. We made clear commitments to go to the aid of Europe if she was attacked. The Berlin airlift was one example to show that we meant to back up our pledges. The Soviets backed down. We stood ready to back up Europe with our political, economic, and military strength. We today risk everything on the altar of dollar diplomacy, and what is the result? The headlines from day to day tell the sad story of the decline of American prestige. American airmen are made prisoners in East Germany, other American airmen are forcibly detained by the Soviets after their plane was forced down in Armenia, 30 American Navy men are kidnaped by Cuban rebels. The Vice President of the United States, the second highest of American officials, is spat upon and stoned, while the American flag is desecrated. And what does the administration prescribe as a solution? More dollars.

Mr. Chairman, the great tragedy of this whole thing is that we have no forthright and realistic foreign policy which can be used as a framework within which a well conceived and efficiently executed foreign aid program can operate. Our foreign policy has remained the policy of the Marshall plan era. What we need is a new policy of effective American leadership. If foreign aid can then be a useful instrument in the implementation of that policy, let it be planned and geared to fit the new policy requirements and the actual situations in these areas.

I am not against foreign aid if it is used where it will redound to the best

interests of our own national security and if it is a program that is efficiently operated. I am not against foreign aid that is temporary in scope. I am not against foreign aid if it is given to countries and peoples who will stand with America when the chips are down. But I am against a foreign-aid program that is offered as a substitute for a foreign policy. I am against foreign aid that is handed out promiscuously to 73 countries and territories all over the world. I am against a foreign-aid program that rewards neutrals and potential enemies with greater handouts than we give to our friends. I am against the waste and inefficiency that have been found to exist in this program. When I was recently in Vietnam with other members of my subcommittee, we wanted to visit one of the projects being financed in that country with our American dollars. We started out with the American who had been sent to that country to oversee the operation of the project. To our utter amazement, he did not know how to find the project, and we went by it twice before we finally located it. In Madras, India, the same ignorance was displayed by our American officials in charge. In a certain other country the chairman of the subcommittee overheard one of our own Government representatives say to another such official, "We sold them a bill of goods." He meant that they had pulled the wool over our eyes, so to speak. In many countries it was evident to me that the Americans who were sent there to carry out the projects financed with American money thought only in terms of what new projects might be planned and what new schemes might be conceived for the expenditure of moneys, not what was best for America. Their planning and outlook did not seem to be geared to getting a good job done and getting out of the countries, but the idea seemed rather to be one of prolonging the job, concocting more grandiose projects, and digging in deeper. Of course, not all of our people in those countries gave such impressions. Many were capable, and their efforts are to be applauded. But I am against a foreign-aid program that is so loosely handled, so misguided, and one which grows ever larger and shows no signs of ever reaching an end. I am against a bill which combines military aid with economic aid and which forces us to accept all or nothing. The military portion should be included in the regular defense budget, where it belongs, and the economic aid could then rise or fall on its own merit. I am against a foreign-aid program that is already overfunded. If we refused to appropriate a single dollar for this program, it has been estimated that there is enough money in the pipeline by which it could be operated for at least a year and a half. I am against a foreign-aid program which permits American arms to be used by the recipient governments for the subjection of local populations or for use against friendly neighboring countries. I say, Mr. Chairman, that it is time to take a new look at the program. We should refuse to pass this appropriation bill. The administration then will be



forced to reevaluate the needs for foreign aid and come up with a firm foreign policy. The administration would then be forced to present a realistic foreign-aid program to meet the needs of the few real friends we have left around the world, one which is more temporary in nature and one which would not eventually leave our own Nation bankrupt. With the deadwood cut away and with the freeloaders removed, we would then have a foreign-aid program which we could all conscientiously support. It would be a program which, when integrated into a well-directed foreign policy, would win the hearts of those who are worthy to be our friends.

Mr. ALGER. Mr. Chairman, the views of those Members who wrote the minority report accompanying the House mutual security authorization were excellent. Yet now when the appropriation bill comes before us, there is no minority viewpoint so expressed. Rather, the minority now is comprised of Members who want to increase the amounts. I for one am still opposed to this huge United States effort to enrich the other nations of the world at the expense of the United States taxpayer, and call it mutual security. It is the reverse, mutual insecurity, when we, the leader of the free world, jeopardize our fiscal soundness by self-imposed bankruptcy. Our national debt and present deficits proclaim the threat to our Nation's economy. Only the virility of the private enterprise system could shoulder such a load. But we can break the back of even this great economy if we go on like this.

There is need for mutual security, but not at the price of bankrupting the United States. Our national debt of \$275 billion is \$39 billion more than the debts of all other nations of the world, and yet we continue to pour out, via the taxpayers money, our national wealth, \$82 billion since 1945, which is equal to the value of the United States 17 largest cities.

Further, the unexpended balance of money already appropriated by Congress is \$5,194 million. The counterpart funds, our foreign currency in other nations now totals \$2,060 million. This is a total of \$7,254 million on hand for mutual security even before we appropriate more. Now we have before us \$3,078 million more. So the total of funds available if we pass this bill will be \$10,333 millions for foreign aid.

After study, I joined those Members who wrote the minority or dissenting views accompanying the mutual security authorization bill. The temperate but documented conclusion of their report states and bears repetition at this point:

Despite this extension of our interest and unwanted generosity, there has developed among recipient nations no adequate understanding of our fundamental American purpose; no sufficient comprehension that we have undertaken a mutual effort to help men live and govern themselves in terms of freedom, equality, human dignity, and peace. There has, in fact, been little or no mutuality to the program. Merely voting more dollars for the continuation of such a program is not enough. What is needed is more consistent policy, better

programing, much better administration; and, what is more important, a complete review of the fundamental policy. To continue, without new direction or directives, a program that "has been tried and found wanting" is as dangerous as it is ineffective. This minority, which is second to none in its desire to maintain the security and peace of this country and of the world, has long held that the concept of mutual security, the implementation thereof, and the annual enabling legislation should be reviewed and revised. We again call for a review of the program and of the underlying policy.

In view of this, in view of the fact that Congress has failed to reassert its control over the mutual security program, in view of the failure of the justifications for the program to measure up to critical analysis, in view of administrative laxness in carrying out the program, and in view of the needless authorization of billions of dollars when the pipeline already contains billions, we cannot support the mutual security bill for 1958.

The continuation of our present hit or miss, hodgepodge subsidy of United States industry under the guise of charity to others, I have concluded, is wrong and self-defeating. Military or mutual security is lacking as we help neutrals and enemies more than friends. Charity it is not, as we claim, since we are manipulating others through military aid, economic help, and political diplomacy. First, we must decide what our policy is, then call it what it is. It should be hard-headed, self-interested looking after ourselves—charity is between people, not governments. A strong United States can attract military allies and command respect from enemies. Giving money away and deficit financing, resulting in higher taxes and inflation, cannot result in security, mutual or otherwise. Weakening ourselves through overspending cannot possibly strengthen the team of freedom-loving nations. Certainly there is some need for mutual military aid for allies, but only as a part of a clearly defined policy and within a balanced budget. United States fiscal suicide is Russia's goal. Finally, from many examples of the self-defeating nature of mutual security spending country by country can be selected the spectacle of our giving almost \$1,000 million to Yugoslavia, the ruthless Communist dictatorship, whose leader is our self-proclaiming dedicated enemy. Need more be said?

Mr. BOGGS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. Boggs moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. BOGGS. Mr. Chairman, I regret having to offer this motion in order to get time. I will not support the motion, but time had been limited, and, of course, those of us who are not members of the subcommittee had no way of knowing what amendments might or might not be offered. Actually this is an amendment which is substantive and probably would be subject to a point of order. I think it so important that we talk about this matter before we legislate on it that I have adopted this method in order to do so.

It seems to me that if we are going to use this bill as a vehicle for the alleged difficulties of the textile industry, then we may as well abandon this whole program and go into a relief bill for various industries which allegedly have been hurt by imports.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. VORYS. This amendment is, of course, a ridiculous way of trying to operate on this bill. If we are going into any such limitation program it is wrong to confine it to textiles; but if we are going to do this sort of thing at all we should have some committee consideration given to it.

This amendment is obviously the result of the letter that was circulated by the ICA in an attempt to get any American textile company to go into Indonesia. Indonesia has been importing \$200 million worth of textiles every year, only \$5 million of which comes from the United States, special quality cloth. The rest of it our textile people cannot compete for. Indonesia gets its imports from Japan, India, Hong Kong, and Communist China. The Indonesian Government is anxious to set up a textile mill to save on foreign exchange. We wanted to have them set up an American private enterprise mill. We did not get any proposals that were satisfactory, so Indonesia accepted a Communist bid for a mill.

There was no question of competition with American textile plants involved, because that plant would not have taken any business from American plants.

If what ICA was trying to do is understood, instead of distorted, we should commend them for their efforts, instead of attempting to stop them by this kind of amendment.

Mr. BOGGS. I thank the gentleman for his contribution.

The fundamental proposition involved here is whether or not we are going to make special cases involving certain American industries. The textile industry has been before the proper committee of this Congress, the Ways and Means Committee. Many of the allegations which have been made here have not been borne out by the actual facts, the actual statistics. But if you were to take this basis for legislating, then you would take the pottery business, the chemical business, the plywood business, the machine tool business, and others which also claim that they are being injured as the result of imports. This is not the way to pass this kind of legislation.

Our whole approach to these undeveloped nations has been, "We want you to develop your own economies so that you will not be dependent upon imports from the United States, England, or any other source. We want you to be self-respecting and independent people. We want you off the backs of the American taxpayers."

This means that if we encourage these people to develop their own resources, to develop their own textile mills, to develop their own heavy industries wher-



ever it is practicable, then we are not only not doing a disservice to our own industries but we are helping these people and we are helping the taxpayers of our own country.

In my judgment, to adopt this amendment is to defeat the whole Development Loan Program. I hope that the amendment will be defeated.

Mr. TABER. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I expect when the appropriate stage is reached, to offer a motion to recommit to restore \$75 million to the amount allocated to defense support. That will make the figure \$775 million. It will benefit and keep in shape the armed forces of Korea, Taiwan—or Formosa—Turkey, Greece, Iran, and a large number of other small countries that are not able to carry the full burden of their military establishment. It means 3 million armed men properly armed surrounding Russia.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Louisiana.

Mr. WHITTEN. Mr. Chairman, I rise in support of the motion.

The CHAIRMAN. The gentleman cannot be recognized. Only 10 minutes can be consumed on a preferential motion.

Mr. WHITTEN. Has the gentleman from New York used up all his time, or has he some time left?

The CHAIRMAN. Only two 5-minute speeches can be made on a preferential motion.

The question is on the preferential motion offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. GROSS), there were—ayes 53, noes 139.

So the motion was rejected.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

Mr. FEIGHAN. Mr. Chairman, I regret that the time limitation which has already been set does not permit full-scale debate on section 105 of this bill. Events of the last week have convinced me that Congress must be on the alert to any possible effort to tamper with this language or to water it down to the extent that it is meaningless.

The chairman of the subcommittee is to be complimented on the care that has been taken to prevent any damaging inroads being made on congressional intent toward the admission of Communist Red China into the United Nations. Section 105 was originally intended to keep the Department of State on notice that Congress would not weaken in its firm position on this great public issue. The language of section 105, beginning on line 17, page 6, reads as follows:

In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recom-

mendations which he may have with respect to the matter.

Recently I have heard it said that this language lays itself open to interpretation, particularly by those who are seeking the admission of Communist Red China into the United Nations, as an expression by Congress that the Government of the United States has lost the necessary influence and prestige in international affairs to block the seating of Communist Red China in the United Nations. I do not believe this to be the case. In the first instance the United States can block the seating of Communist Red China in the Security Council by the exercise of its veto power. However, the veto power does not extend, generally speaking, to the General Assembly of the United Nations. The opinion is held that it is possible, under the Charter of the United Nations, to seat a new member state in the General Assembly by a two-thirds majority vote. Surely, the prestige and influence for good of the United States Government has not deteriorated to a point where it cannot secure more than one-third of the votes in the General Assembly to block admission of Communist Red China.

When Congress first enacted section 105 it set a precedent which now requires Congress to enact this provision each year in order to maintain a continuing sense of the Congress. If Congress should fail, at any time in the future, to include section 105 in any mutual security appropriation acts, this omission would be taken as a change in the attitude of Congress against admission of Communist Red China into the United Nations, as expressed by the concurrent resolution which was unanimously adopted. If the mutual security program is continued this means Congress has the duty each time to express its continuing sense in opposition to the seating of Communist Red China.

The strong possibility exists that interests at work in the Department of State will seek to manipulate the language of section 105 and water it down to an extent that Congress will have no position whatever with regard to the admission of Communist Red China into the United Nations. A case in point is provided by the recent action taken with regard to the authorization bill passed by the House with reference to this very appropriation. We unanimously adopted an amendment which required that before any additional aid could be given to the Communist dictator Tito the President must make a public finding that, first, there has been no change in the Yugoslavian policies on the basis of which assistance under this act has been furnished to Yugoslavia in the past, and that Yugoslavia is independent of control by the Soviet Union; second, that Yugoslavia is not participating in any policy or program for the Communist conquest of the world; and third, that it is in the interest of the national security of the United States to continue the furnishing of assistance to Yugoslavia under this act.

When the authorization bill came out of conference this requirement placed

upon the President was stricken and instead a weasel word amendment was substituted which requires the President only to keep himself assured on the wisdom of giving additional aid to Communist Tito instead of making a public finding and setting forth his reasons for such action so that the American people could judge whether or not his action was justified. By watering down the firm resolution expressed by the House a great public issue has been given a silent burial.

It would be a tragedy if the great public issue which attaches to the admission of Communist Red China into the United Nations were to suffer a similar burial ceremony through a manipulation of words, thus weakening the determination of Congress to make the United Nations into an effective instrument in the cause of world peace.

Mr. GRIFFIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRIFFIN to the amendment offered by Mr. CANFIELD: After the words "textile processing plants" insert the words "automobile manufacturing plants or any other manufacturing industry now established in the United States."

Mr. BOGGS. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN (Mr. MILLS). This is a limitation on an appropriation bill and the point of order is overruled.

Mr. GRIFFIN. Mr. Chairman, of course I am opposed to the amendment offered by the gentleman from New Jersey [Mr. CANFIELD]. My amendment should make it obvious that, at this point in our consideration of the bill, we cannot single out just one industry for special treatment.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. CANFIELD].

The question was taken; and on a division (demanded by Mr. CANFIELD), there were—ayes 66, noes 133.

So the amendment was rejected.

The Clerk completed the reading of the bill.

#### LEGISLATIVE PROGRAM

Mr. ARENDS. Mr. Chairman, will the gentleman from Louisiana [Mr. PASSMAN] yield me 1 minute so that I may inquire as to the legislative program?

Mr. PASSMAN. I am happy to yield to the distinguished gentleman.

Mr. ARENDS. I thank the gentleman from Louisiana.

Mr. Chairman, I would like to ask the majority leader if he can inform us as to any further legislative program for today and what we may expect for next week.

Mr. McCORMACK. Following the disposition of the pending bill, there is a conference report on the Yellowtail Dam. Then there is another conference report for today on building superliner



passenger vessels for operation on the Atlantic and Pacific Oceans. There are also several unanimous consent matters which, of course, have been cleared. One of them is the bill ratifying a compact between the State of Massachusetts and the State of Connecticut. Of course, as the Members know, they have all been carefully screened and cleared.

Next week on Monday there is the Consent Calendar and the Private Calendar, with 5 suspensions: First, S. 67, Pension for Medal of Honor holders; second, S. 3420, extending Public Law 480; third, H. R. 12883, improvements, Capitol Power Plant; fourth, S. 495, acquire Senate property; fifth, S. 3975, construction of building, Government Printing Office.

Then there is S. 3506, loan of vessels to friendly nations. This is not under suspension.

If there are any rollcalls on Monday, Tuesday, or Wednesday, with the exception of the adoption of a rule, they will go over until Thursday. That is an agreement made between the leadership.

On Tuesday, Wednesday, Thursday, Friday, and Saturday there is S. 1832, for an additional Secretary of State; House Joint Resolution 424, crimes and offenses, sentencing procedures.

On Wednesday, H. R. 13015, authorization, military construction; S. 3651, Small Business Investment Act of 1958.

H. R. 4504, marketing facilities, perishable products.

The following bills may be called up, or any one of them, for consideration, if rules are reported out:

H. R. 13121, authorization, Atomic Energy Commission appropriation;

H. R. 12630, national defense education bill.

S. 3497, community facilities bill.

S. 3683, program to alleviate unemployment in depressed areas.

H. R. 11078, small boat safety bill.

Of course they cannot all be brought up next week, but if rules are reported out those bills may be called up. It is important to get important bills out of our way as quickly as possible. Otherwise you will be here well into September. If the chairmen of committees will report out bills that we have to act on this session, we have a good chance of getting through not later than August 16. We ought to do it by August 9, as I see it. I am no hero, but, I am doing the best I can, perhaps making a nuisance out of myself with the chairmen of committees. I realize their problems. My remarks are in no way in criticism of them. Bills like the community facilities, the education bill, and the scholarship bill, if they are reported out and we get rules, we can then let the House work its will. As a matter of fact, if we get the bills out we could get through by August 2, but as I see it now, unless those bills come out of committee, we will likely be here until Labor Day. I am doing my best to get through by August 9 or August 16, at the latest.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ARENDS. Those bills the gentleman mentioned will not necessarily be taken up categorically, as listed?

Mr. McCORMACK. No.

Mr. ARENDS. I had expressed the hope to the chairman that a bill coming from the Armed Services Committee might be taken up on Wednesday.

Mr. McCORMACK. I specifically set that for Wednesday. Also the Small Business Investment Act for Wednesday.

Mr. PASSMAN. Mr. Chairman, I yield back the remainder of my time.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, directed him to report the same back to the House, with the recommendation that the bill do pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

Mr. BUDGE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUDGE. The gentleman from New York has previously announced that he would offer a motion to recommit the bill. I am unqualifiedly opposed to the bill. The question I wish to ask is whether the Chair will recognize me for the purpose of offering a motion to recommit the bill without instructions, a straight motion to recommit.

The SPEAKER. The gentleman cannot describe his motion. The gentleman from New York [Mr. TABER] has qualified. He has said he was opposed to the bill.

Mr. BUDGE. A further parliamentary inquiry, Mr. Speaker: Am I not entitled to prior recognition, being unqualifiedly opposed to the bill?

The SPEAKER. The gentleman from New York has qualified by his statement that he was opposed to the bill. What other thought the gentleman from New York may have had in his mind the Chair is unable to determine.

The Clerk will report the motion.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith together with the following amendment: Page 2, line 10, strike out "\$700,-

000,000" and insert in lieu thereof "\$775,-000,000."

Mr. HOFFMAN. Mr. Speaker, I make a point of order against the motion to recommit on the ground that the motion itself shows that the gentleman is not qualified.

The SPEAKER. The Chair cannot entertain such a point of order after the statement made by the gentleman from New York.

Mr. BUDGE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BUDGE. The gentleman from New York has moved to recommit the bill with instructions. I have stated that I am unqualifiedly opposed to the bill. I have a straight motion to recommit the bill. Am I not entitled to recognition?

The SPEAKER. The Chair has already ruled and does not intend to change his position that the gentleman from New York [Mr. TABER] is qualified to offer the motion to recommit.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. TABER. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 165, nays 214, answering "present" 1, not voting 50, as follows:

[Roll No. 119]

YEAS—165

Addonizio	Fino	McGregor
Allen, Calif.	Flood	McIntosh
Arends	Fogarty	Macdonald
Ashley	Forand	Machrowicz
Auchincloss	Ford	Mailliard
Avery	Frelinghuysen	Marshall
Ayres	Friedel	Martin
Baldwin	Fulton	May
Barrett	Garmatz	Morrow
Bass, N. H.	Gavin	Metcalf
Bates	George	Miller, Calif.
Baumhart	Glenn	Miller, Md.
Becker	Gordon	Minshall
Boland	Granahan	Morano
Bolling	Green, Pa.	Morgan
Bolton	Griffin	Moss
Boyle	Griffiths	Multer
Broomfield	Gubser	Nix
Broyhill	Hagen	Norblad
Bush	Hale	O'Hara, Ill.
Byrne, Pa.	Halleck	O'Hara, Minn.
Canfield	Harden	Osmer
Carnahan	Harvey	Ostertag
Chamberlain	Haskell	Patterson
Chenoweth	Healey	Pelly
Chiperfield	Heselton	Price
Coffin	Hess	Prouty
Corbett	Hill	Quie
Coudert	Hoeven	Ray
Cramer	Holifield	Reed
Cretella	Holmes	Reuss
Cunningham,	Holt	Rhodes, Pa.
Iowa	Holtzman	Riehlman
Curtin	Horan	Robison, N. Y.
Curtis, Mass.	Hosmer	Rodino
Dennison	Hyde	Rogers, Colo.
Derounian	Judd	Rogers, Mass.
Devereux	Karsten	Rooney
Diggs	Kean	Sadlak
Dollinger	Keating	St. George
Dooley	Kelly, N. Y.	Saylor
Dorn, N. Y.	King	Schenck
Doyle	Kluczynski	Schwengel
Dwyer	Lafore	Scudder
Engle	Latham	Seely-Brown
Fallon	LeCompte	Simpson, Pa.
Farbstein	McCarthy	Sisk
Fascell	McCulloch	Springer



Stauffer	Udall	Wigglesworth
Sullivan	Van Zandt	Wolverton
Taber	Vorys	Yates
Teague, Calif.	Vursell	Younger
Teller	Wainwright	Zablocki
Tewes	Walter	Zelenko
Thompson, N. J.	Widnall	
Tollefson	Wier	

## NAYS—214

Abbitt	Feighan	Mitchell
Abernethy	Fenton	Moore
Adair	Fisher	Moulder
Albert	Flynt	Mumma
Alexander	Forrester	Murray
Alger	Fountain	Natcher
Allen, Ill.	Frazier	Neal
Anderson, Mont.	Gary	Nicholson
Andrews	Gathings	Nimtz
Ashmore	Grant	Norrell
Aspinall	Gray	O'Brien, Ill.
Bailey	Green, Oreg.	O'Konski
Baker	Gregory	O'Neill
Baring	Gross	Passman
Beamer	Haley	Patman
Beckworth	Harris	Perkins
Belcher	Harrison, Neb.	Pfost
Bennett, Fla.	Harrison, Va.	Philbin
Bennett, Mich.	Hays, Ohio	Pillion
Bentley	Hebert	Poage
Berry	Hemphill	Poff
Betts	Henderson	Polk
Biltch	Herlong	Porter
Boggs	Hiestand	Preston
Bonner	Hillings	Rabaut
Bosch	Hoffman	Rains
Bow	Holland	Reece, Tenn.
Boykin	Huddleston	Rees, Kans.
Bray	Hull	Riley
Breeding	Ikard	Roberts
Brooks, Tex.	Jackson	Robson, Ky.
Brown, Ga.	Jarman	Rogers, Fla.
Brown, Mo.	Jennings	Rogers, Tex.
Brown, Ohio	Jensen	Rutherford
Brownson	Johansen	Santangelo
Budge	Johnson	Scherer
Burleson	Jonas	Scott, N. C.
Byrd	Jones, Ala.	Scrivner
Byrne, Ill.	Kee	Selden
Byrnes, Wis.	Keogh	Sheehan
Cannon	Kilday	Sheppard
Carrigg	Kilgore	Sikes
Cederberg	Kitchin	Siler
Celmer	Knox	Simpson, Ill.
Chelf	Knutson	Smith, Calif.
Christopher	Krueger	Smith, Kans.
Church	Laird	Smith, Miss.
Clark	Landrum	Smith, Va.
Clevenger	Lane	Spence
Coad	Lankford	Staggers
Collier	Lennon	Thomas
Cooley	Lesinski	Thompson, La.
Cunningham, Nebr.	Libonati	Thompson, Tex.
Curtis, Mo.	Lipscomb	Thomson, Wyo.
Davis, Ga.	Loser	Tuck
Davis, Tenn.	McCormack	Ullman
Dawson, Ill.	McDonough	Utt
Dawson, Utah	McFall	Vanik
Delaney	McGovern	Van Pelt
Dellay	McIntire	Vinson
Dent	McMillan	Watts
Denton	McVey	Weaver
Dingell	Mack, Ill.	Westland
Dixon	Mack, Wash.	Wharton
Donohue	Madden	Whitener
Dorn, S. C.	Magnuson	Whitten
Durham	Mahon	Williams, Miss.
Elliott	Matthews	Willis
Everett	Meader	Winstead
Evins	Michel	Withrow
	Miller, Nebr.	Wright
	Mills	Young

## ANSWERING "PRESENT"—1

Hardy

## NOT VOTING—50

Andersen, H. Carl	James	Rivers
Anfuso	Jenkins	Robeson, Va.
Barden	Jones, Mo.	Roosevelt
Bass, Tenn.	Kearney	Saund
Blatnik	Kerns	Scott, Pa.
Brooks, La.	Kilburn	Shelley
Buckley	Kirwan	Shuford
Burdick	Mason	Sieminski
Colner	Miller, N. Y.	Steed
Dague	Montoya	Talle
Dies	Morris	Taylor
Dowdy	Morrison	Teague, Tex.
Eberhart	O'Brien, N. Y.	Thornberry
Edmondson	Pilcher	Trimble
Gwinn	Powell	Williams, N. Y.
Hays, Ark.	Radwan	Wilson, Calif.
	Rhodes, Ariz.	Wilson, Ind.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hays of Arkansas for, with Mr. Hardy against.

Until further notice:

Mr. Thornberry with Mr. Scott of Pennsylvania.

Mr. Sieminski with Mr. Gwinn.

Mr. Colmer with Mr. Dague.

Mr. Morrison with Mr. Burdick.

Mr. Pilcher with Mr. Mason.

Mr. Montoya with Mr. Radwan.

Mr. Kirwan with Mr. James.

Mr. Barden with Mr. Kearney.

Mr. Anfuso with Mr. Kilburn.

Mr. Brooks of Louisiana with Mr. H. Carl Andersen.

Mr. Dowdy with Mr. Talle.

Mr. Steed with Mr. Taylor.

Mr. Shelley with Mr. Jenkins.

Mr. Roosevelt with Mr. Kearns.

Mr. Rivers with Mr. Williams of New York.

Mr. Blatnik with Mr. Wilson of California.

Mr. Trimble with Mr. Rhodes of Arizona.

Mr. Buckley with Mr. Miller of New York.

Mr. O'Brien of New York with Mr. Wilson of Indiana.

Mr. HARDY. Mr. Speaker, I have a live pair with the gentleman from Arkansas, Mr. Hays. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. RHODES. of Pennsylvania changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. PASSMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 253, nays 126, not voting 51, as follows:

[Roll No. 120]

## YEAS—253

Addonizio	Chenoweth	Feighan
Albert	Chipperfield	Fenton
Allen, Calif.	Christopher	Fino
Anderson, Mont.	Clark	Flood
Arends	Coad	Fogarty
Ashley	Coffin	Forand
Aspinall	Cooley	Ford
Auchincloss	Corbett	Fountain
Avery	Coudert	Frazier
Baker	Cramer	Frelinghuysen
Baldwin	Cretella	Friedel
Barrett	Cunningham	Fulton
Bass, N. H.	Iowa	Garmatz
Bates	Curtin	Gary
Baumhart	Curtis, Mass.	Gathings
Becker	Davis, Tenn.	George
Beckworth	Dawson, Utah	Glenn
Bennett, Fla.	Delaney	Gordon
Boggs	Dellay	Granahan
Boland	Dennison	Green, Oreg.
Bolling	Dent	Green, Pa.
Bolton	Denton	Gregory
Boykin	Derounian	Griffin
Boyle	Devereux	Griffiths
Breeding	Diggs	Gubser
Brooks, Tex.	Dingell	Hagen
Broomfield	Dixon	Hale
Broynhill	Dollinger	Halleck
Bush	Donohue	Hardy
Byrne, Pa.	Dooley	Harris
Byrnes, Wis.	Dorn, N. Y.	Haskell
Canfield	Doyle	Healey
Cannon	Durham	Herbert
Carrigan	Dwyer	Herlong
Carrigg	Elliott	Heslton
Celler	Engle	Hess
Chamberlain	Evins	Hill
Chelf	Fallon	Hillings
	Farbstein	Hollfield
	Fascelli	Holland

Holmes
Holt
Holtzman
Horan
Hosmer
Huddleston
Hyde
Ikard
Jackson
Jarman
Johnson
Jones, Ala.
Judd
Karsten
Kean
Keating
Kee
Kelly, N. Y.
Keogh
Kilday
King
Kluczynski
Knutson
Lafore
Laird
Lane
Lankford
Latham
LeCompte
Lesinski
Libonati
McCarthy
McCormack
McFall
McGovern
McIntosh
Macdonald
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Mailliard
Marshall
Martin

Matthews
May
Meader
Merron
Metcalfe
Miller, Calif.
Miller, Md.
Mills
Minshall
Morano
Morgan
Moss
Multer
Mumma
Natcher
Nix
Norblad
O'Brien, Ill.
O'Hara, Ill.
O'Neill
Osmers
Ostertag
Passman
Patman
Patterson
Pelly
Perkins
Philbin
Pillion
Poff
Porter
Price
Prouty
Quile
Rabaut
Rains
Ray
Reuss
Rhodes, Pa.
Riehlman
Roberts
Robison, N. Y.
Robson, Ky.
Rodino
Rogers, Colo.

## NAYS—126

Abbitt	Grant	O'Hara, Minn.
Abernethy	Gray	O'Konski
Adair	Gross	Pfost
Alexander	Haley	Poage
Alger	Harden	Polk
Allen, Ill.	Harrison, Nebr.	Preston
Andrews	Harrison, Va.	Reece, Tenn.
Ashmore	Harvey	Reed
Bailey	Hemphill	Rees, Kans.
Baring	Henderson	Riley
Beamer	Hiestand	Rogers, Fla.
Belcher	Hoeven	Rogers, Tex.
Bennett, Mich.	Hoffman	Rutherford
Bentley	Hull	Saylor
Berry	Jennings	Scherer
Betts	Jensen	Scott, N. C.
Blitch	Johansen	Scrivner
Bonner	Jonas	Sheehan
Bosch	Kilgore	Sikes
Bow	Kitchin	Siler
Bray	Knox	Simpson, Ill.
Brown, Ga.	Krueger	Smith, Calif.
Brown, Mo.	Landrum	Smith, Kans.
Brown, Ohio	Lennon	Smith, Va.
Brownson	Lipscomb	Taber
Budge	Loser	Teague, Tex.
Burleson	McCulloch	Thomas
Byrd	McDonough	Thompson, La.
Byrne, Ill.	McGregor	Thomson, Wyo.
Cederberg	McIntire	Tuck
Church	McMillan	Utt
Clevenger	McVey	Weaver
Collier	Mack, Wash.	Wharton
Cunningham, Nebr.	Michel	Whitener
Curtis, Mo.	Miller, Nebr.	Whitten
Davis, Ga.	Mitchell	Williams, Miss.
Dorn, S. C.	Moore	Willis
Everett	Moulder	Wilson, Ind.
Flynt	Murray	Winstead
Forrester	Neal	Withrow
Gavin	Nicholson	Young
	Nimtz	
	Norrell	

## NOT VOTING—51

Andersen, H. Carl	Dies	Kilburn
Anfuso	Dowdy	Kirwan
Barden	Eberhart	Mason
Bass, Tenn.	Edmondson	Miller, N. Y.
Blatnik	Gwinn	Montoya
Brooks, La.	Hays, Ark.	Morris
Buckley	Hays, Ohio	Morrison
Burdick	James	O'Brien, N. Y.
Colmer	Jenkins	Pilcher
Dague	Jones, Mo.	Powell
Dawson, Ill.	Kearney	Radwan
	Kearns	Rhodes, Ariz.



Rivers	Shuford	Trimble
Robeson, Va.	Sieminski	Van Pelt
Roosevelt	Steed	Williams, N. Y.
Saund	Talle	Wilson, Calif.
Scott, Pa.	Taylor	
Shelley	Thornberry	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Thornberry for, with Mr. Brooks of Louisiana against.

Mr. Montoya for, with Mr. Colmer against.

Mr. Anfusio for, with Mr. Morrison against.

Mr. Buckley for, with Mr. Barden against.

Mr. Scott of Pennsylvania for, with Mr. Mason against.

Mr. Kilburn for, with Mr. Burdick against.

Mr. Miller of New York for, with Mr. Jenkins against.

Mr. Taylor for, with Mr. Talle against.

Mr. Hays of Arkansas for, with Mr. Steed against.

Mr. Wilson of California for, with Mr. Van Pelt against.

Mr. Dague for, with Mr. Gwinn against.

Mr. Kirwan for, with Mr. Dowdy against.

Mr. O'Brien of New York for, with Mr. Pilcher against.

Mr. Blatnik for, with Mr. Morris against.

Mr. Roosevelt for, with Mr. Dies against.

Mr. Shelley for, with Mr. Robeson of Virginia against.

Mr. Dawson of Illinois for, with Mr. Rhodes of Arizona against.

Mr. Trimble for, with Mr. H. Carl Andersen against.

Mr. Eberharter for, with Mr. Rivers against.

Mr. Hays of Ohio for, with Mr. Bass of Tennessee against.

Until further notice:

Mr. Edmondson with Mr. Radwan.

Mr. Jones of Missouri with Mr. Williams of New York.

Mr. Saund with Mr. Kearney.

Mr. Sieminski with Mr. Kearns.

Mr. GEORGE and Mr. BUSH changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the mutual security appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

#### CORRECTION OF ROLL CALL

Mr. KILGORE. Mr. Speaker, on roll-call No. 113 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NORRELL. Mr. Speaker, on roll-call No. 114 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, on roll-call No. 116 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### CORRECTION OF THE RECORD

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to make certain corrections in my remarks which appear in the RECORD of June 24, in accordance with the list which I submit herewith:

First, page 10984, 3d column, 9th paragraph, 10th sentence, reads as follows:

That relationship would then be one only of a private nature. In these times of scandal-mongering—

This should be corrected to read as follows: After the words "of a private nature," a new paragraph should follow. This new paragraph then should read:

Now this has nothing to do with the question of good judgment on the part of a public official. In these times of scandal-mongering and I state we always have scandal-mongering—I believe it is very important—

And continue on as it now reads in the RECORD.

Second, page 10986, third column, third paragraph, it reads:

Mr. MCLAUGHLIN. Sir, the allegations in part were made by Mr. John Foss, of Boston, Mass.

This should read "John Fox." Third, further down in column 3 the name John Foss should be "John Fox." Fourth, in the same column in the last paragraph, the last sentence begins and reads as follows:

And yet we have seen a situation result throughout this country where the newspapers and the press and everyone have been filled with this one area which is only collateral and is not the real issue before the committee—

And this paragraph concludes by saying:

and, yet to this date it has not established the gravamen of the charge.

This complete paragraph has been garbled. Therefore I feel it necessary to rewrite it so that its intentment is clear for the RECORD. Therefore this paragraph should read as follows, to wit:

And yet we have seen a situation result throughout this country where the newspapers and radio and television have been filled with this one aspect of the case which is only collateral and is not the real issue before the committee.

If the subcommittee had proceeded properly it would have considered these very serious matters in executive session. In doing so it would have served the function of the court in determining whether a subpoena should be issued or not. The gravamen of the offense in this instance is the corpus delicti which is the alleged existence of fa-

voritism and whether or not this individual brought about this favoritism. In investigating these charges the subcommittee would have sought real evidence rather than resort to hearsay testimony to establish the proof of these charges and then it would have been proper to then consider these collateral matters. I will say to the gentleman that the opposite was done. Whether or not this procedure was a mistake, the net result has been that a committee of Congress has brought about this situation throughout the country, and, yet, to this date it has not established the gravamen of the charge.

And then the RECORD should continue on as it previously reads.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### SMALL BUSINESS ACT OF 1953

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7963) to amend the Small Business Act of 1953, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, RAINS, McDONOUGH, WIDNALL, AND BETTS.

#### YELLOWTAIL DAM

Mr. HALEY. Mr. Speaker, I call up the conference report on the resolution (S. J. Res. 12) to provide for transfer of right-of-way for Yellowtail Dam and Reservoir, Hardin unit, Missouri River Basin project, and payment to Crow Indian Tribe in connection therewith, and for other purposes, and I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 26, 1958.)

Mr. SCHWENGEL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman.

Mr. SCHWENGEL. Mr. Speaker, I would like to ask the gentleman to explain this joint resolution. It seems to me that there were some serious objections to it earlier.

Mr. HALEY. This is a conference report. I might say to the gentleman that it follows substantially the joint resolution that was passed by the House. If the gentleman would like a further explanation of the resolution, I should be glad to yield to the gentleman from Montana, Mr. METCALF.

[Mr. METCALF addressed the House. His remarks will appear hereafter in the Appendix.]



Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Mr. Speaker, I would like to ask the gentleman from Montana, does this permit the Indians to go into court if they are not satisfied with the \$2½ million?

Mr. METCALF. The language of the conference report permits the Indians to try to get more than the \$2½ million, if they are not satisfied.

Mr. MILLER of Nebraska. Has it been settled whether there are or not valuable minerals on this particular site?

Mr. METCALF. No one knows whether there are or not. But I know of no discovery of valuable minerals in this area.

Mr. MILLER of Nebraska. One more question, if I may. The \$2½ million, or any amount that might be recovered in court by a suit, does that come out of the funds of the Bureau of Reclamation?

Mr. METCALF. Originally it was to come from the Missouri Basin account but, under the conference report, it is to come from a direct appropriation for the construction of the dam.

Mr. MILLER of Nebraska. Suppose the amount is over \$2½ million, then where would the money come from?

Mr. HALEY. Then it would come from the General Treasury.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Colorado.

Mr. ASPINALL. When this measure was on the floor of the House, the Members were advised that the committee, if they went to conference, would come back with the House bill provisions in certain aspects. I can assure my colleagues that we came back with the House bill on its important provisions. We did not give an inch on the amount. We kept the amount approved by the House and also the procedure which permits the tribe to sue if they see fit. This was the intent of the committee as the bill was forwarded to the House for its disposition. But, whatever they get, it will have to be in addition to the \$2½ million that the legislation provides.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I should like the Members of the House to know what is in this conference report. This is the first time I have ever known a conference report to come back to the House containing the equivalent of a blank check that is signed and delivered. As the gentleman from Colorado [Mr. ASPINALL] has stated, it is true that the conferees came back and have kept the House figure of \$2.5 million, but in addition they did this remarkable thing: They said:

We do not know what the value of this dam site is, we do not know what the value of this property is, but we will give you \$2.5 million and, in addition to a grant of \$2.5 million, we will give the Crow Indian Tribe the right to go into court and bring suit and prove any damages they can against the Federal Government. We guarantee to the Crow Indian Tribe that they cannot re-

ceive less than \$2.5 million and, if there is any mineral discovery, if there is any element of value which has not been considered by the conference, that can be considered by the court and the moneys will be paid to the Indian tribe.

There is absolutely no limit to what this conference report will authorize.

I should like to ask the gentleman from Florida whether or not that is a correct interpretation of this conference report.

Mr. HALEY. I think the Indians have the right to go into court, which is a right I think every American citizen has. The Bureau is on the side of the Indian tribe you might say. They sent up a report on this. As the gentleman knows, they said they would not oppose \$2.5 million. The gentleman is well aware of the fact that the Indians are very unhappy about this provision. They do not want to take the \$2.5 million. The other body thought it was worth \$5 million. If the gentleman wants to argue this joint resolution, we have merely brought back here a conference report which in sum and substance keeps the absolute dollar that the House wrote into the joint resolution.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield.

Mr. MILLER of Nebraska. It occurs to me that I got the wrong answer when I was asking a question a few moments ago. On the first page of the conference report it is stated:

Strike out section 1 of the House amendment and insert in lieu thereof: "That, from funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$2,500,000."

So the money does come out of the reclamation fund, and any money that might be given to them by suit also comes from the reclamation fund.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Colorado.

Mr. ASPINALL. In this respect the conference report contains the identical language that was in the House joint resolution and the original joint resolution from the other body. We have not changed that language one whit. As far as the additional award is concerned, if any is made it will come from the general Treasury.

Mr. MILLER of Nebraska. Then I do not read the conference report right. The Senate recedes from its disagreement to the amendments of the House and agrees to the same with an amendment as follows: Strike out section 1 and do the very thing it says, take the money out of the reclamation fund. We struck out the House language and put in the language I have just read, which takes the \$2.5 million from the Department of the Interior, the Bureau of Reclamation, Missouri River Basin project funds, and transfers it to the Treasury of the United States.

Mr. ASPINALL. I wish to read from Senate Joint Resolution 12 the words

immediately following the resolving clause:

That, from funds appropriated to the Department of the Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$5 million.

Now I wish to read from House Joint Resolution No. 2, after the resolving clause:

From funds appropriated to the Department of the Interior, Bureau of Reclamation, Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians the sum of \$5 million.

Now I wish to read from the conference report:

Strike out section 1 of the House amendment and insert in lieu thereof: "That from funds appropriated to the Department of Interior, Bureau of Reclamation, for the Missouri River Basin project, there shall be transferred in the Treasury of the United States to the credit of the Crow Tribe of Indians, Montana, the sum of \$2,500,000."

In other words, it is taking the funds from the Missouri River Basin fund in the Bureau of Reclamation and crediting it to the Indian Tribes. That is the same language and to me means the same thing in all three instances.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I would just like to tell the Members there is evidence that in this area which will be flooded there are rich uranium deposits. As to the amount, no one knows and an authority on that subject told me that no one would be in a position to state what their value was; whether they had any recoverable value or whether or not it was only an isolated instance where it is not possible to mine them and that that would not be determined until after another area was drilled and that that can be done within 3 years, and as I say, it would constitute writing a blank check if valuable deposits of minerals were discovered in that area.

Mr. HALEY. Mr. Speaker, may I say to the distinguished gentleman from Pennsylvania the people in Montana call their State the Treasure State and they think there are treasures everywhere. The gentleman from Florida does not know whether there is a gold mine out there or a copper mine or what might be out there. The gentleman from Florida does not know what deposits there might be there, but I understand that as of this time there are no known minerals in this immediate area.

Mr. METCALF. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from Montana [Mr. METCALF] to answer the gentleman's question.

Mr. METCALF. Mr. Speaker, I know of no place and I know of no one who has located a claim on this reservation. I know of no one who says that there are minerals or uranium or oil in this area except Mr. Yellowtail, who is opposed to this bill, and has been opposed











85TH CONGRESS  
2D SESSION

# H. R. 13192

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IN THE SENATE OF THE UNITED STATES

JULY 3, 1958

Read twice and referred to the Committee on Appropriations

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## AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1959, namely:

6                               MUTUAL SECURITY

7                       FUNDS APPROPRIATED TO THE PRESIDENT

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Mutual Security Act of 1954, as  
10       amended, to remain available until June 30, 1959 unless  
11       otherwise specified herein, as follows:



1 Military assistance: For assistance authorized by section  
2 103 (a) to carry out the purposes of title I, chapter 1 (in-  
3 cluding administrative expenses as authorized by section 103  
4 (b), which shall not exceed \$25,000,000 for the fiscal year  
5 1959, and purchase for replacement only of passenger motor  
6 vehicles for use abroad), \$1,515,000,000;

7 Defense support: For assistance authorized by section  
8 131 (b), \$700,000,000;

9 Development Loan Fund: For advances to the Develop-  
10 ment loan fund as authorized by section 203, \$300,000,000,  
11 to remain available until expended;

12 Technical cooperation, general authorization: For assist-  
13 ance authorized by section 304, \$150,000,000;

14 United Nations expanded program of technical assist-  
15 ance and related fund: For contributions authorized by  
16 section 306 (a), \$20,000,000;

17 Technical cooperation programs of the Organization of  
18 American States: For contributions authorized by section  
19 306 (b), \$1,500,000;

20 Special assistance, general authorization: For assistance  
21 authorized by section 400 (a), \$185,000,000;

22 Intergovernmental Committee for European Migration:  
23 For contributions authorized by section 405 (a), \$12,500,-  
24 000: *Provided*, That no funds appropriated in this Act shall  
25 be used to assist directly in the migration to any nation in



1 the Western Hemisphere of any person not having a security  
2 clearance based on reasonable standards to insure against  
3 Communist infiltration in the Western Hemisphere;

4 Program of United Nations High Commissioner for  
5 Refugees: For contributions authorized by section 405 (c),  
6 \$1,200,000;

7 Escapee program: For assistance authorized by section  
8 405 (d), \$8,600,000;

9 United Nations Children's Fund: For contributions  
10 authorized by section 406, \$11,000,000;

11 United Nations Relief and Works Agency: For con-  
12 tributions and expenditures authorized by section 407, \$25,-  
13 000,000, and in addition the unobligated balances of funds  
14 heretofore made available for this purpose are continued  
15 available;

16 Ocean freight charges, United States voluntary relief  
17 agencies: For payments authorized by section 409 (c),  
18 \$2,100,000;

19 Control Act expenses: For carrying out the purposes of  
20 the Mutual Defense Assistance Control Act of 1951, as  
21 authorized by section 410, \$1,000,000;

22 General administrative expenses: For expenses author-  
23 ized by section 411 (b), \$33,000,000;

24 Atoms for Peace: For assistance authorized by section  
25 419, \$5,500,000;



1     President's Special Authority and Contingency Fund:  
2     For assistance authorized by section 451 (b), \$100,000,000;

3     President's Fund for Asian Economic Development:  
4     Unobligated balances of funds heretofore made available for  
5     the President's Fund for Asian Economic Development are  
6     hereby continued available for the fiscal year 1959 for the  
7     purposes for which originally appropriated.

8     Funds appropriated under each paragraph of this Act  
9     (other than appropriations under the head of military assist-  
10    ance), including unobligated balances continued available,  
11    and amounts certified pursuant to section 1311 of the Supple-  
12    mental Appropriation Act, 1955, as having been obligated  
13    against appropriations heretofore made for the same general  
14    purpose as such paragraph, which amounts are hereby con-  
15    tinued available (except as may otherwise be specified in  
16    this Act) for the same period as the respective appropria-  
17    tions in this Act for the same general purpose, may be con-  
18    solidated in one account for each paragraph.

19                                 DEPARTMENT OF STATE

20     Administrative expenses: For expenses of the Depart-  
21    ment of State as authorized by section 411 (c) of the Mutual  
22    Security Act of 1954, as amended, \$6,692,500.

23                                 CORPORATIONS

24     The Development Loan Fund is hereby authorized to  
25    make such expenditures within the limits of funds available



1 to it, and in accord with law, and to make such contracts and  
2 commitments without regard to fiscal year limitations as pro-  
3 vided in section 104 of the Government Corporation Control  
4 Act, as amended, as may be necessary in carrying out the  
5 programs set forth in the budget for the fiscal year 1959 for  
6 such corporation, except as hereinafter provided:

7 LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOP-  
8 MENT LOAN FUND

9 Not to exceed \$1,000,000 of the funds of the Develop-  
10 ment Loan Fund shall be available during the fiscal year  
11 1959 for administrative expenses of the Fund covering the  
12 categories set forth in the fiscal year 1959 budget estimates  
13 for such expenses.

14 GENERAL PROVISIONS

15 SEC. 102. No part of any appropriation contained in  
16 this Act shall be used for publicity or propaganda purposes  
17 within the United States not heretofore authorized by the  
18 Congress.

19 SEC. 103. Payments made from funds appropriated  
20 herein for engineering fees and services to any individual  
21 engineering firm on any one project in excess of \$25,000  
22 shall be reported to the Committees on Appropriations of  
23 the Senate and House of Representatives at least twice  
24 annually.

25 SEC. 104. Except for the appropriations entitled "Presi-



1 dent's special authority and contingency fund" and "Devel-  
2 opment loan fund", not more than 20 per centum of any  
3 appropriation item made available by this Act shall be  
4 obligated and/or reserved during the last month of avail-  
5 ability.

6       SEC. 105. The Congress hereby reiterates its opposi-  
7 tion to the seating in the United Nations of the Communist  
8 China regime as the representative of China, and it is hereby  
9 declared to be the continuing sense of the Congress that the  
10 Communist regime in China has not demonstrated its will-  
11 ingness to fulfill the obligations contained in the Charter of  
12 the United Nations and should not be recognized to represent  
13 China in the United Nations. In the event of the seating  
14 of representatives of the Chinese Communist regime in the  
15 Security Council or General Assembly of the United Nations,  
16 the President is requested to inform the Congress insofar as  
17 is compatible with the requirements of national security,  
18 of the implications of this action upon the foreign policy of  
19 the United States and our foreign relationships, including  
20 that created by membership in the United Nations, together  
21 with any recommendations which he may have with respect  
22 to the matter.



1        This Act may be cited as the “Mutual Security Appro-  
2    priation Act, 1959”.

Passed the House of Representatives July 2, 1958.

Attest:

RALPH R. ROBERTS,

*Clerk.*



85TH CONGRESS  
2D SESSION

H. R. 13192

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## AN ACT

Making appropriations for Mutual Security  
for the fiscal year ending June 30, 1959, and  
for other purposes.

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JULY 3, 1958

Read twice and referred to the Committee on  
Appropriations











Aug 5, 1958

11. SMALL BUSINESS. Conferees agreed to file a conference report on S. 3651, to make equity capital and long-term credit more readily available for small-business concerns. p. D799
12. EDUCATION. Rep. Frelinghuysen inserted a statement by HEW Secretary Flemming favoring H. R. 13247, the national defense education bill, and explaining the provisions of the bill. p. 14925
13. LEGISLATIVE PROGRAM. Rep. McCormack announced that the conference report on H. R. 13015, the military construction authorization bill, will be considered Wed., Aug. 6 (p. 14925). Also scheduled for consideration the same day are S. 4071, the farm bill, H. R. 11056, to regulate the imports of certain fruits and nuts, and H. R. 13580, to increase the public debt limit.

SENATE

14. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 13192, the mutual security appropriation bill for 1959 (S. Rept. 2204) (p. 14773). The Daily Digest states that the bill provides \$3.5 billion, a \$440 million increase over the House-passed figure (p. D795).
15. SURPLUS DISPOSAL; FOREIGN TRADE. Both Houses received the President's semi-annual report on Public Law 480 operations, Jan. 1-June 30, 1958. pp. 14771, 14881 (H. Doc. 431)  
The Agriculture and Forestry Committee reported without amendment S. 3858, to authorize CCC to purchase flour and cornmeal for donation instead of being limited to having such products processed from its own stocks (S. Rept. 2196). p. 14773  
Sen. Humphrey discussed health problems and our foreign policy in the Middle East and urged the importance of using surplus foods to reduce human suffering. pp. 14845-8
16. LOANS. The Agriculture and Forestry Committee reported without amendment S. 3333, to improve the insured loan program of the FHA (S. Rept. 2192). p. 14773
17. FARM LABOR. The Agriculture and Forestry Committee reported an original bill/ S. 4232 to extend the Mexican farm labor program for 1 year (S. Rept. 2189). p. 14773
18. FORESTRY. Concurred in the House amendment of S. 1748, to add certain lands in Ida. and Wyo. to the Caribou and Targhee National Forests. This bill will now be sent to the President. p. 14819  
Sen. Morse stated that big timbermen were attempting to prevent the use of provisions in the Small Business Act of 1958 which would help smaller lumbermen by setting aside timber for them to cut, and urged that the Small Business Administration take its own course. p. 14862
19. ROADS. Passed H. R. 12776, to revise and codify the laws relating to "Highways," with an amendment substituting the language of S. 3953 as reported by the Senate committee. S. 3953 was indefinitely postponed. pp. 14819-32
20. DESERT-LAND ENTRIES. Concurred in the House amendments to S. 359, to permit desert land entries on disconnected tracts of land aggregating less than 320 acres and forming a compact unit. This bill will now be sent to the President. p. 14818



21. RECLAMATION. Concurred in the House amendment to S. 4002, to authorize the Grey Reef Dam and Reservoir as a part of the Glendo unit of the Missouri River Basin Project. This bill will now be sent to the President. p. 14818  
The Interior and Insular Affairs Committee reported with amendments S. 3648, to authorize the Interior Department to construct and operate the Navaho Indian Irrigation project and the initial stage of the San Juan-Chama project (S. Rept. 2198); and S. 1887, to authorize the Interior Department to construct the San Luis unit, Central Valley Project, Calif., and to enter into an agreement with the State to operate it (S. Rept. 2202). p. 14773
22. LANDS. The Agriculture and Forestry Committee reported without amendment H. R. 6542, to authorize the conveyance of certain forest lands to Dayton, Wyo. (S. Rept. 2194); and H. R. 11800, to authorize the sale of certain ARS lands and buildings to Clifton, N. J. (S. Rept. 2193). p. 14773  
Sen. Morse discussed the formula requiring payment of at least 50% of the appraised fair market value for lands to be transferred to local agencies for public purposes, and 100% if for private purposes, which he has insisted on since 1946, in connection with a bill to dispose of certain property in Roseburg, Ore. pp. 14857-62
23. HALL OF FAME. The Agriculture and Forestry Committee reported without amendment H. Con. Res. 295, favoring the establishment of a Hall of Fame for Agriculture (S. Rept. 2190). p. 14773
24. ACREAGE ALLOTMENTS. The Agriculture and Forestry Committee reported with amendment S. 4151, to establish uniform provisions for the transfer of acreage allotments when the landowner is displaced by an agency having the right of eminent domain (S. Rept. 2195). p. 14773
25. IMPORTS. The Agriculture and Forestry Committee reported with amendments S. 2142, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on the importation of certain citrus fruits and figs, (S. Rept. 2191). p. 14773
26. PURCHASING. The Government Operations Committee reported with amendments S. 3224, to assist small business firms to obtain a fair share of Government purchases and contracts and to expedite Government procurement (S. Rept. 2201). p. 14773
27. FISHERIES. The Interstate and Foreign Commerce Committee ordered reported with an amendment in the nature of a substitute bill, S. 3229, the proposed Federal Fisheries Assistance Act of 1958. p. D796
28. FEDERAL-STATE RELATIONS. The Judiciary Committee ordered reported with amendment S. 337, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. p. D796
29. DEFENSE PRODUCTION. S. 4162, to provide for the cancellation of certain uncollectible loans and operating losses under Title III of the Defense Production Act, was made the unfinished business. p. 14817
30. ELECTRIFICATION. Sen. Humphrey inserted an article by the manager of the Colo. Rural Electric Association urging greater independence of the REA administrator from USDA control. pp. 14839-40



## MUTUAL SECURITY APPROPRIATION BILL, 1959

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AUGUST 5, 1958.—Ordered to be printed

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Mr. HAYDEN, from the Committee on Appropriations, submitted the following

## REPORT

[To accompany H. R. 13192]

The Committee on Appropriations, to whom was referred the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House..... \$3, 078, 092, 500

Amount of increase by Senate..... 440, 000, 000

Amount of bill as reported to the Senate.... 3, 518, 092, 500

Amount of estimates, 1959..... 3, 950, 092, 500

Amount of appropriations, 1958..... 3, 435, 810, 000

The bill as reported to the Senate:

Under the estimates for 1959..... 432, 000, 000

Over the appropriations for 1958..... 82, 282, 500



## MUTUAL SECURITY APPROPRIATIONS, 1959

*Mutual security appropriations, 1959*

Item	Appropriations, 1958	Estimates, 1959	Authorization acts	Recommended in House bill, 1959	Senate Committee bill, 1959	Increase (+) or decrease (-), Senate bill compared with—			
						Appropriations, 1958	Estimates, 1959	Authorization acts	House bill, 1959
Military assistance.....	\$1,878,800,000	\$1,800,000,000	\$1,805,000,000	\$1,515,000,000	\$1,515,000,000	-\$363,800,000	-\$285,000,000	-\$90,000,000	-----
Defense support.....	725,000,000	835,000,000	810,000,000	700,000,000	790,000,000	+65,000,000	-45,000,000	-20,000,000	+\$90,000,000
Development Loan Fund.....	300,000,000	625,000,000	625,000,000	300,000,000	580,000,000	+280,000,000	-45,000,000	-45,000,000	+280,000,000
Technical cooperation.....	142,000,000	171,500,000	171,500,000	171,500,000	171,500,000	+29,500,000	-----	-----	-----
Special assistance.....	225,000,000	212,000,000	202,500,000	185,000,000	200,000,000	-25,000,000	-12,000,000	-2,500,000	+15,000,000
Contingency fund.....	-----	200,000,000	155,000,000	100,000,000	155,000,000	+155,000,000	-45,000,000	-----	+55,000,000
Other programs.....	165,010,000	106,592,500	106,592,500	106,592,500	106,592,500	-58,417,500	-----	-----	-----
Total mutual security:									
Appropriation.....	2,763,760,000	3,950,092,500	3,675,592,500	3,078,092,500	3,518,092,500	+749,332,500	-432,000,000	-157,500,000	+440,000,000
Unobligated balance.....	667,050,000	(1)	-----	(1 <sup>2</sup> )	-----	-667,050,000	-----	-----	-----
Total.....	3,435,810,000	3,950,092,500	3,675,592,500	3,078,092,500	3,518,092,500	+82,282,500	-432,000,000	-157,500,000	+440,000,000

<sup>1</sup> Entire unobligated balance of President's fund for Asian economic development (no amount specified) to remain available through June 30, 1959.

<sup>2</sup> Entire unobligated balance of United Nations Relief and Works Agency (no amount specified) made available through June 30, 1959.



## ASSISTANCE TO SCHOOLS AND LIBRARIES

Under the terms of section 400 (c) of the Mutual Security Act of 1954, as amended, the President is authorized to use not to exceed \$10,000,000 for assistance to schools and libraries abroad, founded or sponsored by citizens of the United States, and serving as study and demonstration centers for ideas and practices of the United States. The appropriation act for the fiscal year 1958, contained a prohibition against the use of any funds for this purpose. This year the appropriation act does not contain any such prohibition. The committee desires to commend the American University of Beirut and expresses the hope the administration will be able to assist the university with some of its current needs under this provision.

## LATIN AMERICA

The committee considered an amendment to provide \$25,000,000 for special assistance to Latin America, under section 400 (b) of the Mutual Security Act. The committee did not approve this request in view of the fact that it made an additional \$280,000,000 available to the Development Loan Fund over the amount provided in the House bill and further that loans can be obtained by these countries from the Export-Import Bank and the International Bank.

## PROCUREMENT IN THE UNITED STATES

The committee has learned that in some instances the dollars provided for foreign aid have been used to purchase commodities and goods in foreign countries rather than in our own country. The committee abhors this practice and strongly urges that since the moneys used for the mutual-security program are derived solely from funds provided by the American taxpayers that purchases should be made at home wherever possible. Certainly this policy will contribute to employment in the United States and greatly assist those areas suffering economic distress.

## MILITARY ASSISTANCE

The budget request for military assistance was \$1,800,000,000. The following table shows the proposed distribution by area:

Europe.....	\$206,565,000
Africa.....	7,324,000
Near East and South Asia.....	279,584,000
Far East.....	399,120,000
Latin America.....	33,308,000
Nonregional.....	874,099,000

Total military assistance.....	1,800,000,000
--------------------------------	---------------

The Mutual Security Act of 1958 authorized the appropriation of \$1,605,000,000 in new obligational authority for military assistance. The committee recommends an appropriation of \$1,515,000,000 for this item. This is a reduction of \$285,000,000 from the budget request, and a reduction of \$90,000,000 from the amount authorized. It is the same amount as was recommended by the House bill.

A limitation of \$25,000,000 for administrative expenses which is the full amount of the budget estimate, has been approved for this program for fiscal year 1959.



## DEFENSE SUPPORT

The committee was advised that defense support is that economic assistance which is provided, in addition to military assistance, in order to secure a specific contribution to the common defense by another country in which United States military aid is helping to support significant military forces.

The budget request for this item was \$835,000,000, as follows:

Europe.....	\$45,000,000
Near East and South Asia.....	195,000,000
Far East.....	595,000,000
Total, Defense Support.....	835,000,000

The amounts for individual countries are classified. The countries included are: Spain, Greece, Iran, Turkey, Pakistan, Cambodia, Korea, Laos, Philippines, Taiwan, Thailand, and Vietnam.

The Mutual Security Act of 1958 authorized the appropriation of \$810,000,000 for defense support. There is recommended in the accompanying bill an appropriation of \$790,000,000 which is an increase of \$90,000,000 over the House bill.

The appropriation recommended is a reduction of \$45,000,000 from the budget request, and a reduction of \$20,000,000 from the amount authorized.

The committee has also provided in the bill that not less than \$50,000,000 of the amount appropriated be used in Spain.

## DEVELOPMENT LOAN FUND

The committee has included in the bill the sum of \$580,000,000 for this fund, which is a reduction of \$45,000,000 from the budget estimate and the amount authorized. This is an increase of \$280,000,000 over the House bill and the amount appropriated for fiscal year 1958.

The Mutual Security Act of 1957 authorized an appropriation of \$500,000,000 without fiscal year limitation for this fund in fiscal year 1958. This same legislation also authorized an additional \$625,000,000 to be appropriated to the President without fiscal year limitation, for advances to the fund beginning in the fiscal year 1959.

The committee has provided in the bill a limitation of \$1,250,000 for administrative expenses for this program which is \$250,000 over the House bill and \$250,000 under the budget estimate.

## TECHNICAL COOPERATION

Technical cooperation is a program for the sharing of knowledge, experience, techniques, and skills with peoples of less developed areas for the purpose of helping them to further their economic development and to increase their standards of living. Its objective is to help the peoples of these countries to help themselves by applying up-to-date methods to their economic and related social and governmental problems. Technical cooperation is extended by sending technicians to participating countries to advise and teach, and by bringing selected foreign technicians to the United States or other countries for advanced training.

Funds have been requested for proposed programs for 62 nations and dependent territories on a direct government-to-government



basis, which is the general authorization item. In addition, United States contributions to technical assistance programs through the United Nations are requested in the item, United Nations technical assistance. There is also technical assistance provided for the Organization of American States.

#### TECHNICAL COOPERATION, GENERAL AUTHORIZATION

The budget request for this purpose was \$150,000,000 and the same amount has been authorized to be appropriated. The committee concurs with the House and recommends an appropriation of \$150,000,000, an increase of \$25,000,000 over the amount available for obligation in fiscal year 1958.

#### UNITED NATIONS TECHNICAL ASSISTANCE

The committee concurs in the action of the House and has included \$20,000,000 in the bill for this item, which is the full amount of the budget estimate and the authorization. It is an increase of \$4,500,000 over the appropriation for fiscal year 1958.

The committee was advised that at the recent General Assembly of the United Nations, the United States took the initiative in proposing a substantial enlargement of the United Nations expanded technical assistance program. The proposal was formulated in recognition of the urgent needs of the less developed countries and territories and of their ability to make good use of technical assistance on a larger scale than the present United Nations program could furnish.

#### ORGANIZATION OF AMERICAN STATES

The full budget estimate of \$1,500,000 is recommended for 1959. This is the amount recommended in the House bill. The same amount was provided for 1958.

#### SPECIAL ASSISTANCE AND OTHER PROGRAMS

##### SPECIAL ASSISTANCE

The Mutual Security Act of 1958 authorizes an appropriation of \$202,500,000 for "Special assistance." The committee has included in the bill the amount of \$200,000,000 for this item, a reduction of \$12,000,000 in the amount of the budget estimate, and \$2,500,000 below the amount authorized.

The committee recommendation is \$15,000,000 in excess of the House bill.

Special assistance is designed to cover economic aid necessary to achieve any of the variety of political, economic, or other objectives which the United States may have in a given country. It is used where the support of significant military forces is not an important objective of United States policy and where the assistance cannot be provided under technical cooperation or the Development Loan Fund.

According to the justifications submitted to the committee, the request for this item has been programed on an illustrative basis as follows: \$25,600,000 for malaria eradication; \$3,000,000 for western European technical exchange; and \$183,400,000 for regional expenses and for certain specific countries, the breakdown of which is classified.



## INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

The full amount of the budget estimate, \$12,500,000, is recommended for this purpose. This is the same amount as recommended by the House. The same amount was provided for fiscal year 1958.

This committee assists in the movement of migrants and refugees from overpopulated countries of Europe to other countries which can use additional manpower. There are presently 27 Government members. It is estimated that approximately 145,000 refugees will be moved during 1959.

The appropriation of such amounts as may be necessary from time to time for the payment by the United States of its contributions to the committee and all necessary salaries and expenses incident to United States participation in the committee is authorized under the provisions of section 405 (a) of the Mutual Security Act of 1954, as amended.

## UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

The committee concurs with the House and recommends \$1,200,000, the amount of the budget estimate and the full authorization, for the United States contributions for the calendar year 1959 program. This amount is a decrease of \$1,033,000 from the appropriation for fiscal year 1958.

This program was authorized by a General Assembly resolution of December 2, 1957. This voluntary United Nations program will permit the meeting of new emergency refugee situations as they might arise and will make it possible to complete the camp closure and other programs which are expected to remain unfinished on termination of the United Nations Refugee Fund (UNREF) program on December 31, 1958.

## ESCAPEE PROGRAM

An appropriation of \$8,600,000, the full amount of the budget estimate, the House bill and the authorization, is recommended for this program. This is an increase of \$3,100,000 over the appropriation for fiscal year 1958.

The United States escapee program was carried from March 1952 until 1955 under special provisions of the Mutual Security Act of 1951 and section 401 of the Mutual Security Act of 1954. Since 1955, specific legislative authority for the appropriation for the program has been provided in section 405 (d) of the Mutual Security Act of 1954, as amended.

The principal objective of the program is to reduce the numbers of escapees in need of assistance in Europe (including those Hungarians still in camps) by resettlement in overseas countries which are seeking additional people. While the escapees are awaiting permanent reestablishment, the program supplements the considerable assistance of the countries of asylum and of the voluntary agencies. The United States contribution fills the gap which remains between what can be provided from these two sources and what is needed to assure a level of assistance considered essential.



## UNITED NATIONS CHILDREN'S FUND

The committee recommends the full authorization and the amount of the budget estimate and the House bill, \$11,000,000, for this item. This is the same amount as was appropriated for fiscal year 1958.

This contribution will be used to help carry forward programs supported by member countries of the United Nations for the health and welfare of mothers and children in the newly developed areas.

In 1957, over 45 million children and mothers in 104 countries and territories received direct benefits through United Nations Children's Fund aided programs. Over 16 million children were vaccinated against tuberculosis; 55 million children and mothers were protected from malaria and other insect-borne diseases; 5.6 million children were treated for yaws, and 4.5 million were given supplementary feeding.

Almost 13,400 maternal and child health centers in rural areas, primarily in Asia, received aid in the form of basic equipment and medical supplies.

## UNITED NATIONS RELIEF AND WORKS AGENCY

This program provides funds for United States participation in the relief and rehabilitation of Palestine refugees in the Near East. This participation takes the form of a contribution to the United Nations Relief and Works Agency.

An appropriation of \$25,000,000, the full amount of the budget request and the authorization, is recommended for this program. In addition, the committee concurs in the action of the House in providing for the reappropriation of all unobligated balances remaining in this program as of June 30, 1958.

## OCEAN FREIGHT

The committee recommends the budget estimate, \$2,100,000, for the payment of ocean freight charges on relief shipments by voluntary agencies. This is the full amount requested and authorized for fiscal year 1959, and the amount of the House bill. It is a decrease of \$100,000 from the amount appropriated for fiscal year 1958.

This request is to make possible the continued support of our American voluntary agencies by paying ocean freight costs on their relief shipments abroad. No procurement costs to the United States Government are involved. The goods are supplied by the voluntary agencies and represent free donations of the American people. Thus for each tax dollar spent, supplies valued at about \$14 are delivered to needy persons in friendly countries abroad.

Thirty-one private groups cooperate in this program in 17 foreign countries. Their activities and services abroad, in the fields of material aid, refugee resettlement, and technical assistance, are considered to be a valuable supplement to the official programs of governments.

## CONTROL ACT EXPENSES

The Secretary of State is responsible for the administration of the Mutual Defense Assistance Control Act of 1951 (Battle Act) for controlling exports of strategic materials to the countries behind the



Iron Curtain by countries which receive United States aid. The committee recommends the sum of \$1,000,000 for this item, which is the amount of the House bill and of the budget estimate. It is the same amount as was appropriated for fiscal year 1958.

#### GENERAL ADMINISTRATIVE EXPENSES

The budget request for this item is \$33,000,000, exclusive of the recent pay act increase, and the Mutual Security Act of 1958 authorizes this amount to be appropriated. The committee concurs in the action of the House and recommends this amount for administrative expenses for the International Cooperation Administration. This is an increase of \$2,496,000 over the amount provided in fiscal year 1958.

#### ADMINISTRATIVE EXPENSES, STATE DEPARTMENT

This item provides for administrative expenses of the Department of State which are incurred for the functions directly related to the mutual security program and the United States regional office, Paris. Section 411 (c) of the Mutual Security Act of 1954, as amended, authorizes the appropriation to the Department of State of such amounts, not to exceed \$7 million in any fiscal year, as may be necessary for such administrative expenses. The Committee has included in the bill the sum of \$6,692,500 for this item for the coming fiscal year, which is the full amount of the budget estimate and which is the amount contained in the House bill.

#### ATOMS FOR PEACE

Starting with the President's statement to the General Assembly of the United Nations in December 1953, the United States Government, in various policy pronouncements, has indicated its desire to assist other friendly nations of the world in developing well-rounded programs for the peaceful use of atomic energy.

The offer of assistance under this program consists of three major activities: (1) financing the costs of research reactors in friendly nations, (2) training of foreign nationals in the United States, and (3) providing research and training equipment.

The fiscal year 1959 program is directed toward providing broader and more effective assistance to a growing number of countries engaging in nuclear energy activities. In addition to those countries which have received grants under this program, it is expected that during fiscal year 1959 the following 15 countries will be candidates for grants toward the cost of research reactors and training equipment:

Argentina	Cuba	Peru
Australia	Ireland	South Africa
Austria	New Zealand	Switzerland
Belgium	Norway	Thailand
China	Pakistan	Turkey

The committee concurs in the action of the House and recommends an appropriation of \$5,500,000, which is the amount of the budget request and the authorization. This is an increase of \$1,050,000 over the amount made available last year by reappropriation.



## PRESIDENT'S SPECIAL AUTHORITY AND CONTINGENCY FUND

The President has asked for an appropriation of a special sum of money for meeting two kinds of contingencies:

(1) Those which can be foreseen but without certainty as to the amount which may be necessary;

(2) Those which cannot be foreseen but which experience has demonstrated will arise.

This fund was included last year as the unprogramed part of special assistance. It is now treated as a separate fund in order to identify more plainly the purposes of the program.

The budget request for the contingency fund is \$200,000,000. The Mutual Security Act of 1958 authorized the appropriation of \$155,000,000 for this item. The House recommended the appropriation of \$100,000,000 for this item, a reduction of \$100,000,000 from the budget request and \$55,000,000 from the authorization.

There is recommended in the accompanying bill an appropriation of \$155,000,000 which is an increase of \$55,000,000 over the House bill.

## PRESIDENT'S FUND FOR ASIAN ECONOMIC DEVELOPMENT

This fund was established under the provisions of section 418 of the Mutual Security Act of 1955. The amount of \$100 million was appropriated to remain available for obligation during the 3 fiscal years ending June 30, 1958. The legislation was designed to foster regional cooperation in the economic growth of free Asia. The program involved concepts entirely new to the Asian region, and has been slow to evolve as evidenced by the slow rate of obligation. An amount of \$5,956,000 remained unobligated on June 30, 1958. The House continued the funds available during the fiscal year 1959 and the committee concurs in this action.

## GENERAL PROVISIONS

## PENSIONS AND ANNUITIES

The following restriction on the use of funds has been included in the bill by the committee:

*SEC. 107. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this Act or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.*

## FOREIGN CURRENCIES

In order to provide for more effective utilization of certain foreign currencies, the committee included language permitting the use of not to exceed 50 percent of such currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, without regard to the purposes of the appropriation



financing the transactions by which they were generated. The language included in the bill is as follows:

*SEC. 108. Not to exceed fifty per centum of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: Provided, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives.*



COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1958, ESTIMATES FOR 1959, AND AMOUNTS  
RECOMMENDED IN HOUSE AND SENATE BILLS FOR 1959

Items	Appropriations, 1958	Estimates, 1959	Recommended in House bill, 1959	Senate committee bill, 1959	Increase (+) or decrease (—), Senate bill compared with—	
					Appropriations, 1958	Estimates, 1959
MUTUAL SECURITY						
MILITARY ASSISTANCE						
Military assistance:						
Appropriation.....	\$1,340,000,000	\$1,800,000,000	\$1,515,000,000	\$1,515,000,000	+\$175,000,000	—\$285,000,000
Unobligated and unreserved balance.....	538,800,000				—538,800,000	
Total, military assistance.....	1,878,800,000	1,800,000,000	1,515,000,000	1,515,000,000	—363,800,000	—285,000,000
ECONOMIC ASSISTANCE						
Defense support:						
Appropriation.....	689,000,000	835,000,000	700,000,000	790,000,000	+101,000,000	—45,000,000
Unobligated balance.....	36,000,000				—36,000,000	
Total defense support.....	725,000,000	835,000,000	700,000,000	790,000,000	+65,000,000	—45,000,000
Development loan fund.....	300,000,000	625,000,000	300,000,000	580,000,000	+280,000,000	—45,000,000
Administrative expense limitation.....		(1,500,000,000)	(1,000,000,000)	(1,250,000,000)	+(1,250,000,000)	—(250,000,000)
Technical cooperation:						
General authorization:						
Appropriation.....	113,000,000	215,000,000	150,000,000	150,000,000	+37,000,000	
Unobligated balance.....	12,000,000				—12,000,000	
Total, general authorization.....	125,000,000	150,000,000	150,000,000	150,000,000	+25,000,000	
United Nations expanded program.....	15,500,000	20,000,000	20,000,000	20,000,000	+4,500,000	
Organization of American States.....	1,500,000	1,500,000	1,500,000	1,500,000		
Total, technical cooperation.....	142,000,000	171,500,000	171,500,000	171,500,000	+29,500,000	

See footnotes at end of table, p. 13.



*Comparative statement of appropriations for 1958, estimates for 1959, and amounts recommended in House and Senate bills for 1959—Continued*

Items	Appropriations, 1958	Estimates, 1959	Recommended in House bill, 1959	Senate committee bill, 1959	Increase (+) or decrease (-), Senate bill compared with—	
					Appropriations, 1958	Estimates, 1959
MUTUAL SECURITY—Continued						
ECONOMIC ASSISTANCE—continued						
Development assistance:						
Unobligated balance.....	\$52,000,000	(4)	(4)	(4)	-\$52,000,000	-----
President's fund for Asian economic development.....						-----
Special assistance and other programs:						-----
Special assistance.....	225,000,000	\$212,000,000	\$185,000,000	\$200,000,000	-25,000,000	-\$12,000,000
Joint control areas.....	11,500,000	(5)	(5)	(5)	-11,500,000	-----
Intergovernmental Committee for European Migration.....	12,500,000	12,500,000	12,500,000	12,500,000		-----
United Nations High Commissioner for Refugees.....	2,233,000	1,200,000	1,200,000	1,200,000	-1,033,000	-----
Escapee program.....	5,500,000	8,600,000	8,600,000	8,600,000	+3,100,000	-----
United Nations Children's Fund.....	11,000,000	11,000,000	11,000,000	11,000,000		-----
United Nations Relief and Works Agency:						
Appropriation.....		25,000,000	25,000,000	25,000,000	+25,000,000	-----
Unobligated balance.....	23,800,000	-----	(5)	(5)	-23,800,000	-----
Total UNRWA.....	23,800,000	25,000,000	25,000,000	25,000,000	+1,200,000	-----
North Atlantic Treaty Organization (civilian headquarters).....	1,500,000	-----	-----	-----	-1,500,000	-----
Ocean freight charges.....	2,200,000	2,100,000	2,100,000	2,100,000	-100,000	-----

Control Act expenses.....	1,000,000	1,000,000	1,000,000	1,000,000	-----
General administrative expenses.....	32,750,000	33,000,000	33,000,000	33,000,000	-----
State Department administrative expenses.....	4,577,000	6,692,500	6,692,500	6,692,500	-----
Atoms for peace:					-----
Appropriation.....	-----	5,500,000	5,500,000	+5,500,000	-----
Unobligated balance.....	4,450,000	-----	-----	-4,450,000	-----
Total, Atoms for Peace.....	4,450,000	5,500,000	5,500,000	+1,050,000	-----
Total, economic assistance.....	1,557,010,000	1,950,092,500	1,463,092,500	+291,082,500	+385,000,000
CONTINGENCY FUND					-----
President's special authority and contingency fund.....	( <sup>5</sup> )	200,000,000	100,000,000	+155,000,000	+55,000,000
Total mutual security:					-----
Appropriation.....	2,768,760,000	3,950,092,500	3,078,092,500	+749,332,500	+440,000,000
Unobligated balance.....	667,050,000	( <sup>4</sup> )	( <sup>4</sup> <sup>6</sup> )	-667,050,000	-----
Total.....	3,435,810,000	3,950,092,500	3,078,092,500	+82,282,500	+440,000,000

<sup>1</sup> Includes \$815,000 increase contained in H. Doc. No. 407.

<sup>2</sup> Includes \$8,000,000 increase contained in H. Doc. No. 407.

<sup>3</sup> Entire unobligated balance made available through June 30, 1958, by 1956 appropriation act.

<sup>4</sup> Entire unobligated balance of President's Fund for Asian Economic Development no amount specified to remain available through June 30, 1959.

<sup>5</sup> Included in "Special assistance."

<sup>6</sup> Entire unobligated balance of United Nations Relief and Works Agency (no amount specified) made available through June 30, 1959.

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Calendar No. 2258

85TH CONGRESS  
2D SESSION

# H. R. 13192

[Report No. 2204]

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IN THE SENATE OF THE UNITED STATES

JULY 3, 1958

Read twice and referred to the Committee on Appropriations

AUGUST 5, 1958

Reported by Mr. HAYDEN, with amendments

[Omit the part struck through and insert the part printed in italic]

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## AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1959, namely:

### MUTUAL SECURITY

#### FUNDS APPROPRIATED TO THE PRESIDENT

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Mutual Security Act of 1954, as  
10      amended, to remain available until June 30, 1959, unless  
11      otherwise specified herein, as follows:



1       Military assistance: For assistance authorized by section  
 2   103 (a) to carry out the purposes of ~~title I, chapter 1~~  
 3   *chapter I* (including administrative expenses as authorized  
 4   by section 103 (b), which shall not exceed \$25,000,000 for  
 5   the fiscal year 1959, and purchase for replacement only of  
 6   passenger motor vehicles for use abroad), \$1,515,000,000;

7       Defense support: For assistance authorized by section  
 8   131 (b), ~~\$700,000,000~~ \$790,000,000: *Provided, That not*  
 9   *less than \$50,000,000 thereof, shall be available for Spain*  
 10   *exclusive of technical cooperation;*

11       Development Loan Fund: For advances to the Develop-  
 12   ment loan fund as authorized by section 203, ~~\$300,000,000~~  
 13   \$580,000,000, to remain available until expended;

14       Technical cooperation, general authorization: For assist-  
 15   ance authorized by section 304, \$150,000,000;

16       United Nations expanded program of technical assist-  
 17   ance and related fund: For contributions authorized by  
 18   section 306 (a), \$20,000,000;

19       Technical cooperation programs of the Organization of  
 20   American States: For contributions authorized by section  
 21   306 (b), \$1,500,000;

22       Special assistance, general authorization: For assistance  
 23   authorized by section 400 (a), ~~\$185,000,000~~ \$200,000,000;

24       Intergovernmental Committee for European Migration:  
 25   For contributions authorized by section 405 (a), \$12,500,-

1 000: *Provided*, That no funds appropriated in this Act shall  
2 be used to assist directly in the migration to any nation in  
3 the Western Hemisphere of any person not having a security  
4 clearance based on reasonable standards to insure against  
5 Communist infiltration in the Western Hemisphere;

6 Program of United Nations High Commissioner for  
7 Refugees: For contributions authorized by section 405 (c),  
8 \$1,200,000;

9 Escapee program: For assistance authorized by section  
10 405 (d), \$8,600,000;

11 United Nations Children's Fund: For contributions  
12 authorized by section 406, \$11,000,000;

13 United Nations Relief and Works Agency: For con-  
14 tributions and expenditures authorized by section 407, \$25,-  
15 000,000, and in addition the unobligated balances of funds  
16 heretofore made available for this purpose are continued  
17 available;

18 Ocean freight charges, United States voluntary relief  
19 agencies: For payments authorized by section 409 (c),  
20 \$2,100,000;

21 Control Act expenses: For carrying out the purposes of  
22 the Mutual Defense Assistance Control Act of 1951, as  
23 authorized by section 410, \$1,000,000;

24 General administrative expenses: For expenses author-  
25 ized by section 411 (b), \$33,000,000;



1       Atoms for Peace: For assistance authorized by section  
2   419, \$5,500,000;

3       President's Special Authority and Contingency Fund:  
4   For assistance authorized by section 451 (b), ~~\$100,000,000~~  
5   \$155,000,000;

6       President's Fund for Asian Economic Development:  
7   Unobligated balances of funds heretofore made available for  
8   the President's Fund for Asian Economic Development are  
9   hereby continued available for the fiscal year 1959 for the  
10  purposes for which originally appropriated.

11      Funds appropriated under each paragraph of this Act  
12   (other than appropriations under the head of military assist-  
13   ance), including unobligated balances continued available,  
14   and amounts certified pursuant to section 1311 of the Supple-  
15   mental Appropriation Act, 1955, as having been obligated  
16   against appropriations heretofore made for the same general  
17   purpose as such paragraph, which amounts are hereby con-  
18   tinued available (except as may otherwise be specified in  
19   this Act) for the same period as the respective appropria-  
20   tions in this Act for the same general purpose, may be con-  
21   solidated in one account for each paragraph.

22                               DEPARTMENT OF STATE

23      Administrative expenses: For expenses of the Depart-  
24   ment of State as authorized by section 411 (c) of the Mutual  
25   Security Act of 1954, as amended, \$6,692,500.

## CORPORATIONS

The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation, except as hereinafter provided:

## LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Not to exceed ~~\$1,000,000~~ \$1,250,000 of the funds of the Development Loan Fund shall be available during the fiscal year 1959 for administrative expenses of the Fund covering the categories set forth in the fiscal year 1959 budget estimates for such expenses.

## GENERAL PROVISIONS

SEC. 102. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000



1 shall be reported to the Committees on Appropriations of the  
2 Senate and House of Representatives at least twice annually.

3 SEC. 104. Except for the appropriations entitled "Presi-  
4 dent's special authority and contingency fund" and "Devel-  
5 opment loan fund", not more than 20 per centum of any  
6 appropriation item made available by this Act shall be  
7 obligated and/or reserved during the last month of avail-  
8 ability.

9 SEC. 105. The Congress hereby reiterates its opposi-  
10 tion to the seating in the United Nations of the Communist  
11 China regime as the representative of China, and it is hereby  
12 declared to be the continuing sense of the Congress that the  
13 Communist regime in China has not demonstrated its will-  
14 ingness to fulfill the obligations contained in the Charter of  
15 the United Nations and should not be recognized to represent  
16 China in the United Nations. In the event of the seating  
17 of representatives of the Chinese Communist regime in the  
18 Security Council or General Assembly of the United Nations,  
19 the President is requested to inform the Congress insofar as  
20 is compatible with the requirements of national security,  
21 of the implications of this action upon the foreign policy of  
22 the United States and our foreign relationships, including  
23 that created by membership in the United Nations, together  
24 with any recommendations which he may have with respect  
25 to the matter.

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1       *SEC. 106. The appropriations and authority with respect*  
2 *thereto in this Act shall be available from July 1, 1958, for*  
3 *the purposes provided in such appropriations and authority.*  
4 *All obligations incurred during the period between June 30,*  
5 *1958, and the date of enactment of this Act in anticipation*  
6 *of such appropriations and authority are hereby ratified and*  
7 *confirmed if in accordance with the terms hereof.*

8       *SEC. 107. None of the funds provided by this Act nor*  
9 *any of the counterpart funds generated as a result of assist-*  
10 *ance under this Act or any prior Act shall be used to pay*  
11 *pensions, annuities, retirement pay or adjusted service com-*  
12 *pensation for any persons heretofore or hereafter serving*  
13 *in the armed forces of any recipient country.*

14       *SEC. 108. Not to exceed 50 per centum of the foreign*  
15 *currencies heretofore generated in any country under section*  
16 *402 of the Mutual Security Act of 1954, as amended, may,*  
17 *notwithstanding prior provisions of law, hereafter be used*  
18 *in accordance with the provisions of that section: Provided,*  
19 *That quarterly reports of the use of foreign currencies pur-*  
20 *suant to this section shall be submitted to the Committees on*  
21 *Appropriations of the Senate and House of Representatives.*

22       This Act may be cited as the "Mutual Security Appro-  
23 priation Act, 1959".

Passed the House of Representatives July 2, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.



[Report No. 2204]

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**AN ACT**

Making appropriations for Mutual Security  
for the fiscal year ending June 30, 1959, and  
for other purposes.

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JULY 3, 1958

Read twice and referred to the Committee on  
Appropriations

AUGUST 5, 1958

Reported with amendments







Aug. 11, 1958

14. PURCHASING. At the request of Sen. Talmadge, passed over S. 3224, to assist small business firms to obtain a fair share of Government purchases and contracts and to expedite Government procurement. p. 15417
15. FOREIGN AID. At the request of Sens. Clark and Barrett, passed over H. R. 13192, the mutual security appropriation bill for 1959. p. 15418  
Sen. Humphrey urged the importance of foreign aid in U. S. competition with Russia, and pointed to the growth of the Russian economy and their expanding foreign aid program as attracting the attention of under-developed countries toward Communism. Sen. Javits concurred in urging that the full authorized amount (\$825 million) be appropriated for the Development Loan Fund. pp. 15456-9
16. FEDERAL-STATE RELATIONS. At the request of Sen. Barrett, passed over S. 337, to establish rules of interpretation governing questions of the effect of acts of Congress on State laws. p. 15421
17. FARM LABOR. Passed without amendment S. 4232, to extend the Mexican Farm Labor Program for one year, to June 30, 1960. p. 15414
18. HALL OF FAME. Agreed to without amendment H. Con. Res. 295, expressing the intent of Congress in favor of the establishment of a Hall of Fame for Agriculture. pp. 15414-15
19. IMPORTS. At the request of Sen. Barrett, passed over S. 2142, to amend the Agricultural Marketing Agreement Act so as to extend restrictions on the importation of certain citrus fruits and figs. p. 15415
20. FORESTRY. Passed as reported S. 4053, to extend the boundaries of the Siskiyou National Forest, Ore., and to define the rights with respect to mining locations and patents on lands to which the boundaries are extended. p. 15413  
Passed without amendment H. R. 6542, to authorize the conveyance of certain Forest Service lands to Dayton, Wyo. Sen. Morse inserted a memorandum referring to a previous bill as a precedent for such conveyance. This bill will now be sent to the President. p. 15416
21. LANDS. Passed as reported H. R. 4635, to provide for the settlement and entry of public lands in Alaska containing coal, oil, or gas under Sec. 10 of the act of May 14, 1898. p. 15410  
Passed without amendment H. R. 11800, to authorize the Secretary to sell certain ARS lands and buildings to Clifton, N. J. Sen. Morse inserted a memorandum stating that "the bill does not violate the Morse formula." This bill will now be sent to the President. p. 15416
22. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 1168, to restore the pay of officers or employees to the grade level held before downgrading in certain cases (S. Rept. 2314). p. 15391  
Passed as reported H. R. 11133, to amend the Administrative Expenses Act so as to provide for the payment of travel costs for certain Federal personnel appointments to areas in which the CSC has determined there is a manpower shortage. p. 15414
23. ECONOMIC SITUATION. Sen. Bush inserted two articles discussing the current economic situation. pp. 15401-02



ITEMS IN APPENDIX

24. PUBLIC DEBT. Rep. Budge inserted an article, "Why the National Debt is Giving Treasury Secretary Lots of Worry." pp. A7175-6  
Rep. Pelly inserted an article, "More Shrinkage in Your Dollar," and stated that it "explains in simple terms and at least in part why 108 House Members including myself voted against raising the debt limit." pp. A7192-3
25. FORESTS. Extension of remarks of Rep. Porter stating that "Federal timber sales policies and programs are of vital concern to forest products industries," and inserting an Ill. Valley Chamber of Commerce petition which "complains that the Forest Service has not put up timber on the schedule promised." pp. A7190-1

26. INFORMATION. Rep. Davis, Ga., inserted a resolution urging the Congress to enact legislation to designate the rose as our national flower. pp. A7193-4

BILLS INTRODUCED

27. COTTON. H. J. Res. 679, by Rep. Ashmore, providing minimum national acreage allotments for upland cotton for 1959; to Agriculture Committee.

PRINTED HEARINGS RECEIVED BY THIS OFFICE

28. APPROPRIATIONS. H. R. 13192, mutual security appropriations for 1959. S. Appropriations Committee.
29. FOREIGN AID. Part 1, foreign aid construction projects; part 2, field survey of construction projects and other foreign aid operations. H. Government Operations Committee.
30. CONTRACTS. Proposed extension of the Renegotiation Act of 1951 for 2 years. H. Ways and Means Committee.
31. ANIMAL DISEASES. H. R. 12126, prohibition against wild-animal imports from infected areas. S. Agriculture and Forestry Committee.
32. RESEARCH. Development of the saline water conversion program. H. Government Operations Committee.
33. CIVIL DEFENSE; DEFENSE MOBILIZATION. Providing new arrangements for the conduct of Federal defense mobilization and civil defense functions. H. Government Operations Committee.
34. ECONOMIC REPORT. S. Res. 321, on advisability of issuing by Aug. 1, 1958, a report as of June 30, 1958, supplementing the President's annual economic report. S. Banking and Currency Committee.
35. WATER POLLUTION. H. R. 11714, to amend the Federal Water Pollution Control Act to increase limitations on grants for construction. H. Public Works Committee.
36. PUBLIC DEBT. H. R. 13580 and 13581, to increase the public-debt limit. H. Ways and Means Committee.
37. DEFENSE PRODUCTION. S. 4162, to amend Defense Production Act re CCC financing, etc. S. Banking and Currency Committee.



allotments for the farm from which the owner was so displaced shall be established in accordance with the procedure applicable to other farms, and such allotments shall be considered to have been fully planted. After such allotment is made under this section, the proportionate part, or all, as the case may be, of the past acreage used in establishing the allotment most recently placed in the pool for the farm from which the owner was so displaced shall be transferred to and considered for the purposes of future State, county, and farm acreage allotments to have been planted on the farm to which allotment is made under this section. Except where paragraph (c) requires the transfer of allotment to another portion of the same farm, for the purpose of this section, (1) that part of any farm from which the owner is so displaced and that part from which he is not so displaced shall be considered as separate farms, and (2) an owner who voluntarily relinquishes possession of the land subsequent to its acquisition by an agency having the right of eminent domain shall be considered as having been displaced because of such acquisition.

"(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of the commodity from the farm acquired by the Federal, State, or other agency or by the owner of the farm; (2) any of the commodity produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of the commodity produced on or marketed from such farm or due to a false acreage report.

"(c) This section shall not be applicable, in the case of cotton, tobacco, and peanuts, to any farm from which the owner was displaced prior to 1950, in the case of wheat and corn, to any farm from which the owner was displaced prior to 1954, and in the case of rice, to any farm from which the owner was displaced prior to 1955. In any case where the cropland acquired for nonfarming purposes from an owner by an agency having the right of eminent domain represents less than 15 percent of the total cropland on the farm, the allotment attributable to that portion of the farm so acquired shall be transferred to that portion of the farm not so acquired."

SEC. 2. Sections 313 (h), 334 (d), 334 (h), 353 (f), and 358 (h) of the Agricultural Adjustment Act of 1938, as amended, are repealed, but any transfer or reassignment of allotment heretofore made under the provisions of these sections shall remain in effect, and any displaced farm owner for whom an allotment has been established under such repealed sections shall not be eligible for additional allotment under section 378 of such act because of such displacement.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### VICKSBURG NATIONAL HISTORICAL PARK

The Senate proceeded to consider the bill (H. R. 7466) to provide for the establishment of a facility of the Vicksburg National Historical Park, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 8, after the name "Vicksburg National", to strike out "Historical" and insert "Military."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the establishment of a facility of the Vicksburg National Military Park."

#### BILLS PASSED OVER

The bill (S. 3648) to authorize the Secretary of the Interior to construct, operate, and maintain the Navaho Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project, and for other purposes, was announced as next in order.

Mr. CLARK. Over, as not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 654) to amend title 18, United States Code, to authorize the enforcement of State statutes prescribing criminal penalties for subversive activities, was announced as next in order.

Mr. BARRETT. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. TALMADGE subsequently said: Mr. President, did the clerk call Calendar No. 2249, Senate bill 654?

The PRESIDING OFFICER. Yes; and the Senator from Wyoming [Mr. BARRETT] asked that the bill go over, by request; and the bill has been passed over.

The bill (S. 6834) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings was announced as next in order.

Mr. BARRETT. Over, by request.

Mr. TALMADGE. Over, by request.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

#### CONVEYANCE OF CERTAIN REAL PROPERTY TO PAUL & BEEKMAN, INC., PHILADELPHIA, PA.

The Senate proceeded to consider the joint resolution (S. J. Res. 188) providing for the conveyance of certain real property of the United States situated in Philadelphia, Pa., to Paul & Beekman, Inc., which had been reported from the Committee on Government Operations, with an amendment, on page 2, line 9, after the word "with", to strike out "the provisions of paragraph 2 of such lease agreement" and insert "and subject to, the provisions of said lease agreement and shall be effective as of the date of exercise by the lessee of the option to purchase under paragraph 2 of said lease agreement", so as to make the joint resolution read:

*Resolved, etc.,* That the Administrator of General Services is authorized and directed to convey to Paul & Beekman, Inc., Philadelphia, Pa., the real property described in the lease agreement of May 31, 1947, entered into between the United States and Portable Products Corp., Philadelphia, Pa. Such conveyance shall be made in accordance with and subject to, the provisions of said lease

agreement and shall be effective as of the date of exercise by the lessee of the option to purchase under paragraph 2 of said lease agreement.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Under permission granted, a memorandum submitted by Mr. MORSE was ordered to be printed in the RECORD, as follows:

#### MEMORANDUM BY SENATOR MORSE

Senate Joint Resolution 188 provides for the conveyance of certain real property of the United States situated in Philadelphia, Pa., to Paul & Beekman, Inc.

In 1947, the Government leased to the Portable Products Corp. of Philadelphia certain property for a period ending May 31, 1957, at an annual rental of \$40,000. The lease granted the lessee an option to purchase the leased premises at anytime during the first 9½ years of the lease for a total consideration of \$450,000 so that 50 percent of the total rental payments should be credited against the purchase price.

The lease was assigned by the Portable products Corp. to Paul & Beekman Inc. and was consented to by the War Assets Administration.

In 1957 the Attorney General expressed the view that neither the Surplus Property and Administrations Services Act of 1949 contained any authority to include in leases options to purchase leased property.

The resolution would permit the Administrator of General Services to carry out an agreement entered into by the Government in good faith.

I have no objection.

#### BILLS PASSED OVER

The bill (S. 3224) to improve opportunities for small business concerns to obtain a fair proportion of Government purchases and contracts to facilitate procurement of property and services by the Government, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over, Mr. President; the bill is not proper calendar business.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1887) to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, to enter into an agreement with the State of California with respect to the construction and operation of such unit, and for other purposes, was announced as next in order.

Mr. TALMADGE. Over, Mr. President.

Mr. BARRETT. Over.

The PRESIDING OFFICER. The bill will be passed over.

#### CONVEYANCE OF CERTAIN LAND TO THE CITY OF NEOSHO, MO.

The bill (S. 3534) to authorize the Secretary of the Army to convey approximately 181 acres of land at Fort Crowder Military Reservation to the city of Neosho, Mo., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That within 1 year from the date of enactment hereof the Secretary



of the Army shall, upon payment of fair value as determined by him, convey to the city of Neosho, Mo., all right, title, and interest of the United States in and to that portion of the Fort Crowder Military Reservation consisting of approximately 181 acres of land in the northwest portion of the reservation bounded on one side by United States Highway No. 71 to a depth of approximately 5,817 feet along the reservation boundary to the right-of-way of the Kansas City Southern Railroad and shown on sheet 2 of Kansas City District Engineer drawing numbered 18-02-02, dated October 1954, titled "Fort Crowder, Missouri Master Plan Basic Information Maps Reservation Boundary and Land Use Map" on file with the Chief of Engineers, United States Army, and more particularly described as follows:

Starting point northwest corner section 4, township 24, north, range 32 west described as follows: South 89 degrees 17 minutes east 1313.47 feet, south 89 degrees 17 minutes east 1313.47 feet, south 89 degrees 28 minutes 15 seconds east 1320.03 feet, south 89 degrees 28 minutes 15 seconds east 1320.03 feet, and that part of the northwest corner, section 3, south 89 degrees 05 minutes 15 seconds east 550 feet thence south 02 degrees 44 minutes 45 seconds west 1356 feet, thence north 89 degrees 05 minutes 15 seconds west 550 feet, through section four north 89 degrees 28 minutes 15 seconds west 1320.03 feet, north 89 degrees 28 minutes 15 seconds west 1320.03 feet, north 89 degrees 17 minutes west 1313.47 feet, north 89 degrees 17 minutes west 1313.47 feet, thence north 02 degrees 44 minutes 45 seconds east 1356 feet, to the point of beginning, in all containing 180.9 acres more or less, all in Newton County, State of Missouri.

SEC. 2. All mineral rights, including gas and oil in the lands authorized to be conveyed by this act shall be reserved to the United States.

Under permission granted, a memorandum submitted by Mr. MORSE was ordered to be printed in the RECORD, as follows:

#### MEMORANDUM BY SENATOR MORSE

This bill would authorize the conveyance of land upon payment of fair value as determined by the Secretary of the Army. This proposed legislation applies the Morse formula, and I wish to express my appreciation to the Senator from Missouri [Mr. SYMINGTON] for making certain that the formula applies a case involving a land transfer in his home State.

#### INCLUSION OF MASSACHUSETTS AMONG STATES TO DIVIDE THEIR RETIREMENT SYSTEMS

The Senate proceeded to consider the bill (H. R. 11346) to amend title II of the Social Security Act to include Massachusetts among the States which are permitted to divide their retirement systems in 2 parts so as to obtain social security coverage, which had been reported from the Committee on Finance with an amendment.

Mr. CLARK. Mr. President, it is my understanding that the present occupant of the Chair desired to have a brief explanation of the bill printed in the RECORD. Is that correct?

The PRESIDING OFFICER (Mr. FREAR in the chair). Yes.

Mr. CLARK. Mr. President, I send to the desk and ask unanimous consent to have printed at this point in the RECORD, an explanation of the bill, together with a statement that the bill has the ap-

proval of the Department of Health, Education, and Welfare.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### ANALYSIS OF H. R. 11346

The social security amendments of 1956 included a provision permitting 8 States (Florida, Georgia, New York, North Dakota, Pennsylvania, Tennessee, Washington, and Wisconsin) and the Territory of Hawaii to divide their retirement systems into two parts so as to obtain old-age, survivors, and disability insurance coverage, under the States' coverage agreements with the Department of Health, Education, and Welfare, for only those State and local government employees who desire such coverage, provided all future entrants into the retirement system are covered under old-age, survivors, and disability insurance. In 1957 this provision was extended to four additional States (California, Connecticut, Minnesota, and Rhode Island) and to all interstate instrumentalities.

The Finance Committee's bill would extend this provision to the States of Massachusetts and Vermont.

The Finance Committee added an amendment to the bill which would afford an additional opportunity for obtaining social-security coverage to individuals who were included in the group of persons not desiring coverage. Under this amendment, a State would be permitted to modify its coverage agreement with the Department of Health, Education, and Welfare at any time before 1960, or if later, within 1 year after coverage is approved for the group in question, to transfer these people to the group desiring coverage. Such a transfer would be made only in the case of individuals who filed a written request with the State before the date of approval by the Secretary of the modification proposing the transfer.

The Department of Health, Education, and Welfare favors enactment of the bill as reported by the Committee on Finance.

The PRESIDING OFFICER. The amendment of the Committee on Finance will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and to insert:

That the fourth sentence of section 218 (d) (6) of the Social Security Act is amended by inserting "Massachusetts," before "Minnesota," and by inserting "Vermont," before "Washington."

SEC. 2. Such section 218 (d) (6) is amended by inserting after the fifth sentence the following new sentence: "In the case of any retirement system divided pursuant to the fourth sentence of this paragraph, the position of any member of the division or part composed of positions of members who do not desire coverage may be transferred to the separate retirement system composed of positions of members who desire such coverage if it is so provided in a modification of such agreement which is mailed, or delivered by other means to the Secretary prior to 1960 or, if later, the expiration of 1 year after the date on which such agreement, or the modification thereof making the agreement applicable to such separate retirement system, as the case may be, is agreed to, but only if, prior to such modification or such later modification, as the case may be, the individual occupying such position files with the State a written request for such transfer."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to amend title II of the Social Security Act to include Massachusetts and Vermont among the States which are permitted to divide their retirement systems into two parts so as to obtain social security coverage, under State agreement, for only those State and local employees who desire such coverage, and to permit individuals who have decided against such coverage to change their decision within a year after the division of the system".

Mr. AIKEN subsequently said: Mr. President, did Calendar No. 2257, House bill 11346, go over?

The PRESIDING OFFICER. No; Calendar No. 2257, House bill 11346, has been passed.

Mr. AIKEN. I thank the Chair for that information, which is very gratefully received.

#### BILL PASSED OVER

The bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, was announced as next in order.

Mr. CLARK. Over, Mr. President.

Mr. BARRETT. Over!

The PRESIDING OFFICER. The bill will be passed over.

#### PROMOTION OF HIGHWAY TRAFFIC SAFETY

The joint resolution (H. J. Res. 221) granting the consent of Congress to the several States to negotiate and enter into compacts for the purpose of promoting highway traffic safety was announced as next in order.

Mr. CLARK. Mr. President, let me ask the distinguished Senator from Oklahoma [Mr. MONRONEY] to give us a brief explanation of the joint resolution.

Mr. MONRONEY. Mr. President, I believe this measure, which may affect the safety of the American people, is one of the most important measures the Congress will pass this year.

The joint resolution grants permission to the States to enter into interstate compacts for the purpose of the arrangement of and agreement on nationwide traffic safety programs, including, but not limited to, enforcement of uniform traffic laws, improvement in driver education and training, coordination of traffic enforcement, and research and development into control of the ever-increasing carnage on American highways.

When it is realized that this year there probably will be in excess of 40,000 deaths as a result of traffic accidents, with more than 1,700,000 persons maimed or seriously injured in such accidents, and that the cost to the Nation will probably exceed \$7½ billion in property damage, it will be recognized that this is a field in which there is a need for immediate action. More people have died in automobile accidents than in all of our wars since







85TH CONGRESS  
2D SESSION

Calendar No. 2258

# H. R. 13192

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IN THE SENATE OF THE UNITED STATES

AUGUST 21, 1958

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. BRIDGES (for himself and Mr. WILLIAMS) to the bill (H. R. 13192) making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes, viz: On page 7, line 21, insert the following:

- 1        SEC. 109. The Congress hereby requests the President,
- 2        from time to time during the fiscal year ending June 30,
- 3        1959, to review the expenditures programed by the execu-
- 4        tive branch for such fiscal year and to issue such directives
- 5        to the Director of the Bureau of the Budget and other officials
- 6        in the executive branch of the Government as may be neces-
- 7        sary to achieve the maximum reduction in the expenditures
- 8        of the executive branch during such fiscal year consistent



1 with the objectives of maintaining essential Government  
2 services, providing adequately for the common defense, and  
3 fostering a healthy national economy; all with a view toward  
4 achieving an aggregate, at least 2 per centum on defense  
5 appropriations and at least 4 per centum on other appropri-  
6 ations but not more than 10 per centum on any one item,  
7 reduction in the expenditures programed by the executive  
8 branch as of July 1, 1958, for the fiscal year ending June 30,  
9 1959. Nothing in this section shall be deemed to authorize  
10 Executive action to decrease expenditures for interest on the  
11 public debt, veterans compensation or pensions, Federal and  
12 State cooperative benefit programs, and expenditures from  
13 trust funds. A report of action taken under this chapter  
14 shall be contained in the 1960 budget.





85TH CONGRESS  
2d Session

# H. R. 13192

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## AMENDMENT

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Intended to be proposed by Mr. BRIDGES (for himself and Mr. WILLIAMS) to the bill (H. R. 13192) making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

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August 21, 1958

Ordered to lie on the table and to be printed

# INCREASED DIVERSION OF WATER FROM LAKE MICHIGAN INTO ILLINOIS WATERWAY—AMENDMENTS

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to the bill (H. R. 2) to authorize the State of Illinois and the Metropolitan Sanitary District of Greater Chicago, under the direction of the Secretary of the Army, to test, on a 3-year basis, the effect of increasing the diversion of water from Lake Michigan into the Illinois Waterway, and for other purposes, which were ordered to lie on the table, and to be printed.

## NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO MUTUAL SECURITY APPROPRIATION BILL

Mr. BRIDGES (for himself and Mr. WILLIAMS) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill H. R. 13192, an act making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, the following amendment, namely, page 7, line 21, add the following new section:

"SEC. 109. The Congress hereby requests the President, from time to time during the fiscal year ending June 30, 1959, to review the expenditures programed by the executive branch for such fiscal year and to issue such directives to the Director of the Bureau of the Budget and other officials in the executive branch of the Government as may be necessary to achieve the maximum reduction in the expenditures of the executive branch during such fiscal year consistent with the objectives of maintaining essential Government services, providing adequately for the common defense, and fostering a healthy national economy; all with a view toward achieving an aggregate, of at least 2 percent on defense appropriations and at least 4 percent on other appropriations but not more than 10 percent on any one item, reduction in the expenditures programed by the executive branch as of July 1, 1958, for the fiscal year ending June 30, 1959. Nothing in this section shall be deemed to authorize executive action to decrease expenditures for interest on the public debt, veterans compensation, or pensions, Federal, and State cooperative benefit programs and expenditures from trust funds. A report of action taken under this chapter shall be contained in the 1960 budget."

Mr. BRIDGES (for himself and Mr. WILLIAMS) also submitted an amendment, intended to be proposed by them, jointly, to House bill 13192, making ap-

propriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, August 21, 1958, he presented to the President of the United States the following enrolled bills:

S. 540. An act for the relief of the board of national mission of the Presbyterian Church in the United States of America;

S. 552. An act to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Auf der Heide-Aragona, Inc., of West New York, N. J.;

S. 571. An act for the relief of George P. E. Caesar, Jr.;

S. 1258. An act for the relief of M. Sgt. Robert A. Espe;

S. 1801. An act for the relief of Guerdon Plumley;

S. 2001. An act for the relief of Alalu Duncan Dillard;

S. 2057. An act for the relief of Diana Elaine Greig;

S. 2216. An act for the relief of John C. Walsh;

S. 2517. An act to amend sections 2275 and 2276 of the Revised Statutes with respect to certain lands granted to States and Territories for public purposes;

S. 2888. An act to provide for registration, reporting, and disclosure of employee welfare and pension benefit plans;

S. 2955. An act for the relief of Kazuko Young;

S. 3004. An act for the relief of Joanna Strutynska;

S. 3195. An act to authorize certain retired personnel of the United States Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries;

S. 3219. An act for the relief of Mrs. Margaret Graham Bonnalle;

S. 3221. An act for the relief of Erika Margaret Zinn Pearce;

S. 3300. An act for the relief of Jean Andre Paris;

S. 3398. An act for the relief of Itzhak Aronovici;

S. 3357. An act for the relief of Arturo Ernesto Audrain y Campos;

S. 3445. An act for the relief of Teruko K. Jackson;

S. 3448. An act to authorize the acquisition and disposition of certain private lands and the establishment of the size of farm units on the Seedskaadee reclamation project, Wyoming, and for other purposes;

S. 3502. An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes;

S. 3509. An act for the relief of Wong Wing Bo;

S. 3547. An act for the relief of Andrejs Pablo Mierkalus;

S. 3607. An act for the relief of Harvey L. Ford;

S. 3640. An act for the relief of Daniel (Nathaniel) Rosenzweig;

S. 3739. An act for the relief of Hermine Elmon Papazian;

S. 3743. An act for the relief of Cynthia Elizabeth Jefferson (Mimi Kurosaka) and Sylvia Elise Jefferson (Junko Tano);

S. 3768. An act for the relief of Hing Man Chau;

S. 3776. An act to extend the time for the collection of tolls to amortize the cost, including reasonable interest and financing cost, of the construction of a bridge across the Missouri River at or near Miami, Mo.;

S. 3789. An act for the relief of Donald J. Marlon;

S. 3801. An act for the relief of Klara Leitner and her daughter, Sylvia Leitner;

S. 3826. An act for the relief of Concettina Iannacchino;

S. 3921. An act for the relief of Peter Tillner;

S. 3966. An act to amend Public Law 85-422;

S. 4020. An act for the relief of Kunio Inouye (Sparkman);

S. 4021. An act to establish the United States Study Commission on the Savannah, Altamaha, St. Marys, Apalachicola-Chattahoochee, and Perdido-Escambia River Basins, and intervening areas;

S. 4053. An act to extend the boundaries of the Siskiyou National Forest in the State of Oregon, and for other purposes;

S. 4071. An act to provide more effective price, production adjustment, and marketing programs for various agricultural commodities;

S. 4081. An act for the relief of Marianne (Sachiko) Fuller;

S. 4167. An act to authorize the lease of Papago tribal land to the National Science Foundation, and for other purposes;

S. 4169. An act to amend the act of June 10, 1938, relating to participation by the United States in the International Criminal Police Organization;

S. 4196. An act to amend the Intercoastal Shipping Act, 1933 (47 Stat. 1425), as amended, to authorize incorporation of contract terms by reference in short-form documents; and

S. 4273. An act to provide for cooperation with the European Atomic Energy Commission.

## ADJOURNMENT TO 9:30 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, if no Senator desires to address the Senate, or ask any questions, I move that the Senate stand in adjournment until 9:30 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 49 minutes p. m.) the Senate adjourned until tomorrow, Friday, August 22, 1958, at 9:30 a. m.



crease the tax base; and it would increase the tax rate paid by the railroads to support the unemployment system, thereby increasing the railroads' unemployment taxes by about \$85 million a year more than they are now paying. It may be that there is some obligation on this body to consider legislation aimed at paying for the costs of the 1956 amendments to the railroad retirement system, but there certainly is no obligation to consider with favor the drastic and sweeping changes in the railroad retirement and unemployment systems contained in S. 1313 in the form reported by the Labor Committee.

The senior Senator from Oregon states that he does not propose to oppose the program set forth in S. 1313 on the basis that railroad workers and retired railroad employees should subsidize the carriers on the ground that the carriers now claim they cannot afford a fair retirement system. There is, of course, a considerable difference of opinion as to what constitutes a fair retirement system for railroad employees. As everyone knows, the benefits available to railroad workers under existing law are much more generous than those available to the worker under the present social-security system and will continue to be much more generous even if the social security amendments which we considered last week become law. However, the important point, it seems to me, is that the senior Senator from Oregon is willing to impose additional payroll taxes against the railroad industry regardless of their effect on that industry. He appears to be of the view that the only fact worth being considered is what is a fair system for a particular group of employees and once having determined that fact the system should be placed in effect without any consideration being given to the impact on the employers of such employees.

Every Member of the Senate is well aware of the very critical financial situation in which the railroads now find themselves. Extended hearings were held early this year on the legislation which has now become the Transportation Act of 1958, at which time the railroads clearly showed that they needed help and they needed it quickly. The railroads' position has not improved in the interim between those hearings and the present. As a matter of fact, it has steadily declined. In the first 5 months of 1958, 42 railroads were operating in a deficit. During that same period the net income of the class I railroads was only \$72 million. Additionally, operating costs are steadily increasing and traffic is continuing to decline. Railroad employment in May 1958 was about 180,000 less than it was in May 1957.

The last serious freight car shortage in this country is that which occurred in the fall of 1956. Serviceable ownership of freight cars is now 20,000 less than it was at that time and such ownership recently has been decreasing at the rate of 10,000 cars a month. Because of the decline in earnings of the carriers they have been unable to maintain their car fleet, and accordingly there are about 140,000 freight cars out of service awaiting repairs. Further,

lack of money prevents them from purchasing new cars. The imposition of increased payroll taxes, such as are provided for in S. 1313, would deprive the carriers of funds already badly needed for maintenance of existing equipment and purchase of new equipment all in the best interests of the national transportation system and at a time when the national defense potential of the railroads is already a matter of concern.

The senior Senator from Oregon states that if the railroads, in order to supply the people of the country with continuing transportation which is essential to national defense, need a further subsidy along the lines of the Smathers bill he would vote for it. The Smathers bill, of course, provides no subsidy or handouts as they were referred to in the Senator's statement, and no one can point to anything in the legislation which even smacks of a subsidy or handout.

As I understand the senior Senator from Oregon, his position is that increased benefits should be granted the railroad employees even though the cost of such benefits will thereafter prevent the railroads from buying new cars and maintaining their present fleet, and then if it develops that the railroads are inadequately equipped to take care of the defense needs of the Nation a subsidy should be provided. I am unalterably opposed to such a proposition, and I am certain that the majority of the House and Senate are likewise opposed. The railroads of this country have never asked for subsidization and I cannot believe that railroad employees would favor subsidies. Subsidizing the railroad industry is outright socialism and could only lead to nationalization of not only the railroads but of the entire transportation system of this country. We have all seen the disastrous results when the transportation systems of other countries have been nationalized. Certainly the railroad industry would not favor nationalization and the railroad employees would not desire to give up their right to collective bargaining, a right that almost certainly would be lost to them under Federal operation of the carriers.

It is obvious that the railroads do not have the money to pay for the costs of S. 1313. It does not appear in the foreseeable future that they will have funds to pay those costs. It seems to me that it is far more in the best interests of the Nation's economy and of the national defense to give the railroads an opportunity to use such funds as are available to provide themselves with a car supply capable of meeting the needs of this country than it is to deprive them of such funds and in fact bankrupt a number of lines in order to provide additional retirement and unemployment benefits to a group of employees whose benefits are already substantially more liberal than those granted to workers in industries other than the railroads.

#### MINERALS STABILIZATION LEGISLATION

Mr. BIBLE. Mr. President, today is a black day for the domestic mining in-

dustry of America. By a vote of 182 to 159, the House has defeated the minerals stabilization bill, washing—at least for a year—any hopes the faltering mining industry might have held out for a congressional lifeline.

The bill that was defeated by the House today was certainly not a cure-all for all the ills besetting our mining industry, Mr. President. In fact, it fell far short of the aims many of us had hoped to achieve in the face of great obstacles. The bill was designed to assist domestic mining by establishing a long-range purchase program for copper, lead, zinc, acid-grade fluospar and tungsten, as well as promoting mining and development research for beryl, chromite and columbium-tantalum from domestic mines.

While I would prefer to see legislation enacted that would call for proper protective tariff guaranties to domestic mining to meet the unfair and indiscriminate importation of foreign metals, it was felt that this measure might provide at least a semblance of relief for a distressed and near-mordant segment of our economy. Under this bill, there was the possibility that we could have salvaged something—that perhaps some mines, now closed, might have been able to reopen and prevent our country from being barren of mineral production.

I am tremendously disappointed at the House action, Mr. President, not only because of the blow that has been dealt to our own mining industry but by its implication that some House Members have a greater concern for the mining world overseas than they do for our own producers.

#### AUTHORIZATION TO COMMITTEE ON POST OFFICE AND CIVIL SERVICE TO FILE REPORT DURING ADJOURNMENT

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the Committee on Post Office and Civil Service be permitted to file, during the adjournment of the Senate, a report of its activities during the 85th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

#### ADDITIONAL EXECUTIVE REPORTS OF A COMMITTEE

The following additional executive reports of a committee were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Howard W. Babcock, of Nevada, to be United States attorney for the district of Nevada, vice Franklin P. Rittenhouse; and

Russell R. Bell, of West Virginia, to be United States marshal for the southern district of West Virginia.







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elimination of the Senate limitation of 300 rural redevelopment counties, of the appointment of local redevelopment committees, and of the specific employment of private firms for technical assistance; and (e) minor changes in the urban renewal part of the program."

13. FARM PROGRAM. Sen. Proxmire stated that the April 1 reduction in dairy price supports cost Wis. dairymen \$8½ million in the past 4 months, and that at the same time consumers had not benefited, and alleged that the Administration's policies were aiding only the middleman. He inserted a table showing the increase in USDA expenditures since 1953, and quoted from a 1952 speech by the President as a basis for contending that the Secretary was following a contrary policy. pp. 17534-6  
Sen. Martin, Iowa, spoke on "Fifty Facts For Farmers," citing various statistics and information to show that trends in agriculture were favorable. pp. 17614-6
14. EDUCATION. Agreed, 66 to 15, to the conference report on H. R. 13247, the national defense education bill. pp. 17577-87  
Sen. Neuberger inserted an article on the national defense education bill, H. R. 13247. p. 17753
15. PUBLIC DEBT. Passed as reported, 57 to 20, H. R. 13580, to increase the public debt limit to \$288 billion through fiscal year 1959, and \$283 billion thereafter. pp. 17629-30, 17725, 17729-49, 17753-4
16. PERSONNEL. Concurred in the House amendments to S. 1903, to provide that Presidential appointees who serve specific terms of more than 2 years overseas shall be entitled to travel expenses, the same as other Federal employees, when they return to their place of residence at the end of their tour of duty. p. 17590  
Sen. Allott commended Federal employees who "under handicaps of more work with fewer people, are doing so well in the field of public service," and cited the Federal Housing Administration office in Colo. as an example. p. 17540
17. FOREIGN AID. Senate began debate on H. R. 13192, the mutual security appropriation bill for 1959. The committee amendments were adopted. pp. 17747-50  
Sen. Watkins submitted an amendment to be proposed to H.R. 13192, the mutual security appropriation bill for 1959, to add \$2.5 million to the bill and allow the President to use such funds to alleviate economic hardships overseas caused by the application of the application of the escape clause provision of the Trade Agreements Act. p. 17515
18. SURPLUS COMMODITIES; FOREIGN TRADE. Sens. Schoepel urged enactment of legislation to extend Public Law 480 so as to aid in sales of surplus farm commodities. pp. 17529-30
19. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 13856, the independent offices appropriation bill for 1959 (S. Rept. 2495). p. 17754  
Sens. Bridges and Williams submitted an amendment to be proposed to H. R. 13856, the independent offices appropriation bill for 1959, to request the President to reduce expenditures 2% on defense items, and 4 to 10% on other appropriations (except for fixed cost items such as interest, pensions, Federal-State cooperative benefits, or veterans compensation), with a report on actions taken on such review to be included in the 1960 budget. p. 17754
20. CONTRACTS. Passed as reported H.R. 11749, to extend the Renegotiation Act of 1951 for 6 months. Senate conferees were appointed. pp. 17558, 17596-9



21. VIRGIN ISLANDS. Adopted the conference report on H. R. 12226, to extend until June 30, 1959, the charter of the Virgin Islands Corporation, including new authority to operate salt water distillation facilities and continuation of authority for sugar production. p. 17600
22. FRUITS. Sen. Langer inserted an article on a proposed chokecherry preserve industry in N. D. pp. 17752-3

SENATE - August 23

23. MUTUAL SECURITY APPROPRIATION BILL, 1959. Both Houses received and agreed to the conference report on this bill, H. R. 13192 (H. Rept. 2704). The Senate had passed the bill earlier as reported by the Appropriations Committee. pp. 17787-88, 17826-48, 17850-62, 17955-6, 17974-8; 17991-2, 18897-98 This bill will now be sent to the President.
24. INDEPENDENT OFFICES APPROPRIATION BILL, 1959. Passed with amendments this bill, H. R. 13856. (pp. 17865-76) Rejected, 30 to 45, an amendment by Sen. Williams for himself and several others, which would have requested the President to review expenditures programmed by the Federal agencies during 1959, and to reduce expenditures 2 percent on defense items, and 4 to 10 percent on expenditures of other agencies (except for certain fixed cost items), and to report on actions taken on such a review to be included in the 1960 budget. (pp. 17868-74) The House concurred in the Senate amendments with an amendment of its own. (p. 17965) The Senate then concurred in the House amendment. (pp. 17994-7) This bill will now be sent to the President.
- Received from the President a supplemental appropriation request for the Departments of Labor and Treasury (S. Doc. 119). p. 17758
25. FORESTRY. Passed without amendment H. R. 12281, to authorize the Secretary of Interior to exchange lands to provide for an administrative site in the El Portal area of the Yosemite National Park, including the exchange of National Forest land. (p. 17790) This bill will now be sent to the President.
- Sen. Morse inserted a series of resolutions adopted by the Ore. State Labor Council relating to forestry, timber, forest disease, water power, etc. pp. 17776-8
26. BUTTER; CHEESE. Agreed to the House amendments to S. 2006, to amend the Internal Revenue Code of 1954 so as to relieve the Surgeon General of the Army and Navy from sitting with the Secretary of Agriculture on appeals boards to decide appeals from the decision of the Secretary of the Treasury on cases involving deleterious substances in butter or oleomargarine or in any substance in the manufacture of so-called filled cheese. (pp. 17786-7) This bill will now be sent to the President.
27. SCHOOL LUNCHES. Agreed to the House amendment to S. 1764, to authorize payment of the cost of free lunches for needy children in the D. C. public schools. (p. 17787) This bill will now be sent to the President.
28. FOOD ADDITIVES. Passed with amendments H. R. 13254, to prohibit the use of food additives until after adequate tests of their safety have been determined. Agreed to an amendment by Sen. Williams to exempt from the bill those products regulated under the Poultry Products Inspection Act. The House concurred in the Senate amendment to the bill. (pp. 17791-2, 17938) This bill will now be sent to the President.

Calendar No. 2258

85TH CONGRESS  
2D SESSION

# H. R. 13192

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IN THE SENATE OF THE UNITED STATES

AUGUST 22, 1958

Ordered to lie on the table and to be printed

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## AMENDMENTS

Intended to be proposed by Mr. WATKINS to the bill (H. R. 13192) making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes, viz:

1       On page 2, line 23, strike out "200,000,000;" and in-  
2   sert in lieu thereof: "202,500,000: *Provided*, That the Presi-  
3   dent is authorized and requested to use such funds as are  
4   necessary in order to negotiate and carry out agreements with  
5   foreign nations in order to alleviate economic hardships expe-  
6   rienced by workers in foreign countries whose production is  
7   adversely affected by action hereafter taken under section 7-  
8   of the Trade Agreements Extension Act of 1951, as amended  
9   (escape clause provision) ;".

10       On page 4, line 5, immediately before the semicolon.  
11   insert the following: " : *Provided*, That the President is au-



1   thorized and requested to use such funds as are necessary  
2   in order to negotiate and carry out agreements with foreign  
3   nations in order to alleviate economic hardships experienced  
4   by workers in foreign countries whose production is adversely  
5   affected by action hereafter taken under section 7 of the  
6   Trade Agreements Extension Act of 1951, as amended  
7   (escape clause provision)".

Calendar No. 2258

85TH CONGRESS  
2D SESSION

**H. R. 13192**

## **AMENDMENTS**

Intended to be proposed by Mr. WATKINS to the  
bill (H. R. 13192) making appropriations  
for Mutual Security for the fiscal year end-  
ing June 30, 1959, and for other purposes.

AUGUST 22, 1958

Ordered to lie on the table and to be printed

# NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO MUTUAL SECURITY APPROPRIATION BILL

Mr. WATKINS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill, H. R. 13192, making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes, the following amendment, namely: On page 2, line 23, strike out "200,000,000;" and insert in lieu thereof: "202,500,000: *Provided*: That the President is authorized and requested to use such funds as are necessary in order to negotiate and carry out agreements with foreign nations in order to alleviate economic hardships experienced by workers in foreign countries whose production is adversely affected by action hereafter taken under section 7 of the Trade Agreements Extension Act of 1951, as amended (escape clause provision);"

On page 4, line 5, immediately before the semicolon, insert the following: "*Provided*, That the President is authorized and requested to use such funds as are necessary in order to negotiate and carry out agreements with foreign nations in order to alleviate economic hardships experienced by workers in foreign countries whose production is adversely affected by action hereafter taken under section 7 of the Trade Agreements Extension Act of 1951, as amended (escape clause provision)."

Mr. WATKINS also submitted an amendment, intended to be proposed by him to House bill 13192, making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

## ADMINISTRATIVE SITE FOR YOSEMITE NATIONAL PARK—AMENDMENTS

Mr. MURRAY (for himself, Mr. MALONE, Mr. CHURCH, Mr. WATKINS, Mr. MANSFIELD, Mr. ALLOTT, Mr. BIBLE, Mr. BARRETT, Mr. GOLDWATER, Mr. CARROLL, Mr. CHAVEZ, Mr. O'MAHONEY, Mr. HAYDEN, Mr. KERR, Mr. DIRKSEN, Mr. ANDERSON, Mr. BENNETT, Mr. KEFAUVER, Mr. MONRONEY, Mr. McNAMARA, Mr. MORTON, and Mr. MORSE) submitted amendments, intended to be proposed by them, jointly, to the bill (H. R. 12281) to authorize the Secretary of the Interior to provide an administrative site for Yosemite National Park, Calif., on lands adjacent to the park, and for other purposes, which were ordered to lie on the table, and to be printed.

## AUTHORITY FOR SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR-MANAGEMENT FIELD, THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS, AND COMMITTEE ON GOVERNMENT OPERATIONS TO SUBMIT INTERIM REPORTS SUBSEQUENT TO SINE DIE ADJOURNMENT

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate

Select Committee on Improper Activities in the Labor or Management Field and the Senate Permanent Subcommittee on Investigations of the Committee on Government Operations, or the full Committee on Government Operations, be authorized to file interim reports during the adjourned period of the 85th Congress, 2d session, and that they be printed.

The VICE PRESIDENT. Without objection, it is so ordered.

## ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. JOHNSON of Texas:

Article entitled "Champions of Education" published in the New York Times of August 22, 1958.

By Mr. JACKSON:

Address delivered by Lt. Gen. Arthur C. Trudeau before the Seattle Rotary Club on August 13, 1958.

By Mr. BRIDGES:

Addresses delivered by Sheila McCarthy as Governor of Granite Girls State, 1958.

Text of broadcast by Cedric Foster, Mutual Broadcasting System of a recent date.

By Mr. PROXMIRE:

Excerpts from address by Dr. Slobodan M. Draskovich, before the national confederation of American Ethnic Groups Congressional Conference, Washington, D. C., June 30–July 1, 1958.

Two tables relating to fair margins for retailers, fair prices for consumers, and also flexible pricing with fair trade enforcement.

By Mr. MANSFIELD:

Article entitled "The Do-Something Congress," written by Neal Stanford, and published in the Christian Science Monitor of August 21, 1958.

By Mr. DOUGLAS:

Article entitled "Peace Rose and the Maize Flower," written by Miss Mango Cairns, of Minneapolis, Minn.

By Mr. GORE:

Eulogy of the late Gordon Dean by the Reverend Frederick Brown Harris, Chaplain of the United States Senate.

By Mr. WILEY:

Article on the scrapping of the aircraft carrier *Enterprise*, published in the New York Times of August 22, 1958.

Articles on self-help industrial development programs of Fond du Lac, Baraboo, and Grantsburg, Wis., published in the Milwaukee Journal of August 19 and 20, 1958.

By Mr. MORSE:

Letter to him from William S. Bennet, of Whitehall, Mich., enclosing a statement by John Nuveen, of Chicago, Ill., before the Senate Appropriations Committee on July 18, 1958.

By Mr. KENNEDY:

Editorial entitled "Neglected Fisheries," published in the Boston Herald of August 14, 1958.

Editorial entitled "The House Falls on a Labor Bill," published in the Providence Bulletin of August 19, 1958.

Article entitled "India Needs Our Help," written by James J. Berna, and published in America of August 16, 1958.

Article entitled "Aid for India," published in the Business World of August 16, 1958.

By Mr. HUMPHREY:

Article entitled "Neighbors, Friends Pay Tribute to THYE," dealing with Senator THYE, of Minnesota.

By Mr. BYRD:

Letter dated August 19, 1958, from James P. Richards, president and executive director

of the Tobacco Institute to Senator DOUGLAS, relating to tobacco taxes.

## PROCEDURE IN CONNECTION WITH CONSIDERATION OF RAILROAD RETIREMENT BILL AND OTHER MEASURES

Mr. MORSE. Mr. President, I should like to have the attention of both the majority leader and the minority leader.

Mr. JOHNSON of Texas. The Senator has my attention.

Mr. MORSE. If, as, and when Senate bill 1313, the railroad retirement bill, comes to the floor of the Senate, today or tomorrow, I ask unanimous consent to have Mr. David Scriber, who is the expert who sat with the Committee on Labor and Public Welfare, and who is thoroughly familiar with all the many actuarial technicalities involved in the legislation, sit alongside me during the consideration of the bill, so that he will be able to answer, through me, any of the technical questions which may arise in connection with the bill.

The VICE PRESIDENT. Is there objection?

Mr. JOHNSON of Texas. Mr. President, I have no objection. That is a practice which is followed upon occasion in the Senate. I am very happy to consent to the request.

While the Senator is on his feet, I should like to inquire how much debate he anticipates in connection with this measure, so that I may indicate to other Members when a vote may be expected, assuming that the Senate proceeds to consider the bill shortly.

Mr. MORSE. The Senator from Oregon will require a maximum of 15 minutes, but he hopes it will require not more than 10 minutes to explain the bill. I have no way of knowing how much time will be consumed by questions.

Mr. JOHNSON of Texas. Would the Senator from Oregon be agreeable to a time limit?

Mr. MORSE. That would be perfectly agreeable to me.

Mr. JOHNSON of Texas. Would it be agreeable to the minority leader?

Mr. KNOWLAND. Mr. President, I am not prepared to enter into such an agreement at this time.

Mr. JOHNSON of Texas. I am not submitting the request at this time. I am merely inquiring whether or not such a limitation would be desirable.

It is planned to consider an appropriation bill, the mutual-security bill, conference reports, the Chicago diversion bill, and a number of other measures with respect to which we have promised consideration. If possible, we would like to consider them all and adjourn by tomorrow night.

Of course, any one Senator can prevent such adjournment if he so desires. I shall ask the proponents of the various measures to give consideration to the situation, and be prepared to proceed.

Most of these measures have been before the Senate for some time, and the Senate is generally familiar with them. I should appreciate it very much if the minority leader would be kind enough to follow his usual custom of conferring with Senators on his side of the aisle



who are interested in the various measures. I should like to confer with him in a few minutes to see if we can reach an agreement for limitation of debate on the railroad retirement bill and vote it up or down within a reasonable time. The proponents believe they have the votes necessary to pass it, and the opponents believe they have the votes necessary to kill it. We can determine that after a reasonable time by calling the roll.

Following the disposition of the railroad retirement bill, I should like to take up one of the appropriation bills today. I should like to explore the situation with respect to all the bills which it is planned to consider. I see no reason why we could not obtain agreements for a time limitation with respect to all of them.

Mr. MORSE. Mr. President, has the Senate acted upon my request?

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

#### NATIONAL RAILROAD HALL OF FAME AND MUSEUM

Mr. MORSE. Mr. President, I have received a letter from Mr. C. J. Keenan, of Portland, Oreg., bringing to my attention the National Railroad Hall of Fame and Museum, Inc., which Mr. Keenan is founding in Portland almost single-handedly. This is indeed commendable because it relates to the preservation of our American past, and the history of our railroads is of immense interest to all of us, but especially to oldtimers in the railroad industry and a legion of railroading fans. I find Mr. Keenan's zeal especially inspiring since he is 83 years of age.

I ask unanimous consent that Mr. Keenan's letter and an article entitled "Coach of Fame Is New Attraction at Griffith Park's Travel Town" be printed in the RECORD at this point in my remarks.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

NATIONAL RAILROAD HALL OF FAME AND MUSEUM, INC.,  
Portland, Oreg., July 25, 1958.

HON. WAYNE MORSE,  
United States Senate,  
Washington, D. C.

MY DEAR MR. SENATOR: The placement of the Coach of Fame in Travel Town, Los Angeles, was the forerunner for founding the National Railroad Hall of Fame and Museum. It was also employed as a criterion for future plans.

The Sellwood-Oaks area of Portland will soon be developed by the city of Portland into a recreational and historical emprise. The city has offered to donate land therein to the National Railroad Hall of Fame and Museum. We believe the location is one of the best in the country. It is situated between the Sellwood Bluffs and the Willamette River. It will also contain a locomotive and coach museum and have its own operating railroad.

Contributions pledged for the construction of the hall and museum are not enough to complete the building. In our case, is there any provision in the Federal laws for matching our funds?

We will need plenty of space for various

exhibits relating to the immortals enshrined and many other items allied to the railroads of public interest. There will be photographs, paintings, etchings, and cartoons of assorted subjects.

The museum is to be a national institution—not only a sanctuary for railroads' rarest items, but also a haven for scholars, historians, and enthusiasts. The library will offer a large collection of books on railroads. People interested in miniatures and curios will find them in the museum.

There will be a philatelic railroad section for exhibition of postage stamps issued by all nations honoring persons who have made significant contributions to the railroads of the world.

The National Railroad Hall of Fame and Museum is America's heritage relating to railroads of the past and the future. It is recognized by the Association of American Railroads \* \* \* and we respectfully request that a resolution of recognition be considered by Congress as follows: The procurement and maintenance of buildings and railway coaches as a museum and historical shrine relating to persons who have made significant contributions to American railroads; the selection and enshrinement of such persons; the collection, display, and maintenance of pictures, plaques, monuments, biographical sketches, and other items concerning such persons; and exhibiting the same to the public.

Ten highly qualified representatives serve on the electoral committee to select eligibles for hall of fame awards. The elections are held annually. The election of the first candidates to membership in the hall of fame has just been completed. Those honored are Abraham Lincoln, Horatio Allen, Col. John Stevens, and John Garrett. The results of all future elections will be announced on February 22 of each year.

All board members are well known for their wide interest and knowledge of railroads. Two are associate editors of Portland's leading newspapers.

Portland as the home of the National Railroad Hall of Fame and Museum would draw many people from other countries as well as from all States of this Nation.

With kind regards and best wishes,

Sincerely yours,

C. J. KEENAN.

[From Association of American Railroads for Railway Employee magazine editors, May 1958]

#### COACH OF FAME IS NEW ATTRACTION AT GRIFFITH PARK'S TRAVEL TOWN

The thousands of vacationists, sightseers, railroaders, and railroad fans who visit famous Travel Town of Griffith Park in Los Angeles are finding a new and unique attraction this season, thanks to the persistence, enterprise, and enthusiasm of C. J. "Jeff" Keenan, an 83-year-old former railroadman of Portland, Oreg.

The new attraction is the Coach of Fame, a veteran railroad car which served for many years as a dining car on the Broadway Limited, Spirit of St. Louis, and other famous trains of the Pennsylvania Railroad, and which from now on will carry exhibits honoring the men and women who have made significant contributions to the romance of railroading.

The selection of persons to be thus honored will be made after the most careful study by an impartial committee which is now being organized through the efforts of Mr. Keenan. In a press release issued by the recreation and park department of the city of Los Angeles, it is stated that ever since he first broached the idea of a Coach of Fame 10 years ago, Mr. Keenan has received encouragement from railway executives and others with whom he has discussed the subject.

#### TRAVEL TOWN SELECTED AFTER NATIONWIDE SURVEY

"I believe that each year we should honor one or more who have contributed to the romance of railroading," said Mr. Keenan in the interview. "They would not necessarily be railroad men; they could be anybody, an editor possibly."

The Coach of Fame is a gift of the Pennsylvania Railroad. Before making its final trip from Philadelphia to Los Angeles over the Pennsylvania and Santa Fe lines, the car was completely overhauled and repainted by the donor.

Griffith Park's Travel Town, a facility of the recreation and park department of the city of Los Angeles, was selected as the logical location for the Coach of Fame after a nationwide survey conducted by Mr. Keenan.

Railroad men and women who desire to submit names of logical candidates for recognition by the Coach of Fame can do so through the editor of this magazine. Such names will be forwarded to the committee as soon as it is organized.

#### THE MIDDLE EAST SITUATION

Mr. MORSE. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point as a part of my remarks correspondence which I have received on the Middle East situation, which I intend to refer to later today when I make a brief speech on the Middle East situation and the United Nations action in respect thereto.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NOVATO, CALIF., July 24, 1958.

HON. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: At a recent meeting of the Novato chapter of the Marin Democratic Assembly, the following principles were enunciated.

We oppose the present policy of Democratic leaders in following a temporizing "togetherness" in foreign policy.

We favor establishment of a Democratic foreign policy which is in no way and no longer a bipartisan policy.

We demand that United States' troops now stationed in Lebanon be withdrawn.

We urge that the United Nations be the arbiter for all international decisions in regard to Lebanon.

We recommend that foreign aid and technical assistance be given through the United Nations and not solely by the United States.

We insist upon a return to the traditional American policy of protecting the rights of individual countries to self-determination.

We urge a revival of the traditional American policy of recognition of all de facto governments.

Only in this way can the United States regain international respect and good will which have been severely damaged by our unfortunate bipartisan foreign policy.

As workers in numerous Democratic campaigns, we feel certain that these policies will meet with popular support.

Very truly yours,

ERNEST SCHALLINGER

(For Novato Chapter, Marin Democratic Assembly).

FIRST UNITARIAN CHURCH,  
Portland, Oreg., July 26, 1958.

HON. WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: If you have been reading the Oregonian editorials you will be familiar with the issue with which the enclosed letter deals.



I further announce that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], the Senator from Montana [Mr. MURRAY], and the Senator from Missouri [Mr. SYMINGTON], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent because of illness in his family.

The Senator from Colorado [Mr. ALLOTT], and the Senator from New Hampshire [Mr. BRIDGES] are detained on official business.

The Senator from Colorado [Mr. ALLOTT], the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from New York [Mr. IVES], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] would each vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Indiana [Mr. JENNER]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Indiana would vote "nay."

The result was announced—yeas 57, nays 20, as follows:

## YEAS—57

Aiken	Gore	McNamara
Anderson	Hayden	Monroney
Barrett	Hennings	Morton
Beall	Hickenlooper	Mundt
Bennett	Hill	Neuberger
Bible	Humphrey	Pastore
Bush	Jackson	Potter
Capehart	Javits	Purtell
Carroll	Johnson, Tex.	Revercomb
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kennedy	Smathers
Chavez	Kerr	Smith, Maine
Church	Knowland	Sparkman
Clark	Kuchel	Stennis
Cooper	Long	Thye
Cotton	Magnuson	Watkins
Curtis	Mansfield	Wiley
Dirksen	Martin, Iowa	Yarborough
Douglas	McClellan	Young

## NAYS—20

Byrd	Johnston, S. C.	Robertson
Dworshak	Jordan	Russell
Ellender	Langer	Schoeppel
Ervin	Lausche	Talmadge
Frear	Malone	Thurmond
Goldwater	Morse	Williams
Green	Proxmire	

## NOT VOTING—19

Allott	Fulbright	Murray
Bricker	Hoblitell	O'Mahoney
Bridges	Holland	Payne
Butler	Hruska	Smith, N. J.
Carlson	Ives	Symington
Eastland	Jenner	
Flanders	Martin, Pa.	

So the bill (H. R. 13580) was passed.

Mr. KNOWLAND. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from California to reconsider.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Mr. RUSSELL. Mr. President, I desire to make a very brief statement that I had hoped to be able to make before the vote was taken as to why I voted in the negative on the pending bill. I realize the vital necessity of maintaining the credit of the United States, but those of us who have sought to keep expenditures within reason are confronted with a very grave dilemma in connection with this bill. If a majority of the Members of the Senate had voted as had the Senator from Georgia, there would have been no necessity for this bill. Instead of voting to increase the debt limit there would have been a reduction in the public debt, and I voted in the negative merely to express my protest against continually permitting Federal spending on so many useless projects, and particularly in the area of foreign aid.

## MUTUAL SECURITY APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed

to the consideration of Calendar No. 2258, H. R. 13192, making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. HAYDEN and Mr. DOUGLAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. DOUGLAS. I object, Mr. President.

The PRESIDING OFFICER. The objection is not in order. A motion has been presented. There has been no vote.

Mr. DOUGLAS. Mr. President, may I receive recognition?

The PRESIDING OFFICER. The Chair recognized the Senator from Arizona [Mr. HAYDEN]. The Chair will be happy to recognize the Senator from Illinois later.

Mr. HAYDEN. Mr. President, the mutual security appropriation bill which is now before the Senate appropriates \$3,518,092,500 for assistance to countries receiving aid under this program. This is an increase of \$440 million over the amount passed by the House of Representatives. The committee bill is \$157,500,000 under the authorization act for mutual security and is \$432 million less than the amount recommended for this program by the President in his original submission to the Congress last April.

The \$440 million which has been added to the House bill in the committee consists of \$280 million for the Development Loan Fund, \$90 million for defense support, \$55 million for the contingency fund, and \$15 million for special assistance.

With the additional \$280 million the development loan fund will have a total of \$580 million for fiscal year 1959.

Mr. President, I ask unanimous consent that the table on page 2 of the committee report, which details the amount of the appropriation last year, the budget estimate for this year, and the amounts in the Senate and House bills, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

## Mutual security appropriations, 1959

Item	Appropriations, 1958	Estimates, 1959	Authorization acts	Recommended in House bill, 1959	Senate Committee bill, 1959	Increase (+) or decrease (-), Senate bill compared with—			
						Appropriations, 1958	Estimates, 1959	Authorization acts	House bill, 1959
Military assistance.....	\$1,878,800,000	\$1,800,000,000	\$1,605,000,000	\$1,515,000,000	\$1,515,000,000	-\$363,800,000	-\$285,000,000	-\$90,000,000	-----
Defense support.....	725,000,000	835,000,000	810,000,000	700,000,000	790,000,000	+\$65,000,000	-\$45,000,000	-\$20,000,000	+\$90,000,000
Development Loan Fund.....	300,000,000	625,000,000	625,000,000	300,000,000	580,000,000	+\$280,000,000	-\$45,000,000	-\$45,000,000	+\$280,000,000
Technical cooperation.....	142,000,000	171,500,000	171,500,000	171,500,000	171,500,000	+\$29,500,000	-----	-----	-----
Special assistance.....	225,000,000	212,000,000	202,500,000	185,000,000	200,000,000	-\$25,000,000	-\$12,000,000	-\$2,500,000	+\$15,000,000
Contingency fund.....	-----	200,000,000	155,000,000	100,000,000	155,000,000	+\$155,000,000	-\$45,000,000	-----	+\$55,000,000
Other programs.....	165,010,000	106,592,500	106,592,500	106,592,500	106,592,500	-\$58,417,500	-----	-----	-----
Total mutual security:									
Appropriation.....	2,768,760,000	3,950,092,500	3,675,592,500	3,078,092,500	3,518,092,500	+\$749,332,500	-\$432,000,000	-\$157,500,000	+\$440,000,000
Unobligated balance.....	667,050,000	(1)	-----	(1 2)	-----	-\$667,050,000	-----	-----	-----
Total.....	3,435,810,000	3,950,092,500	3,675,592,500	3,078,092,500	3,518,092,500	+\$82,282,500	-\$432,000,000	-\$157,500,000	+\$440,000,000

<sup>1</sup> Entire unobligated balance of President's fund for Asian economic development (no amount specified) to remain available through June 30, 1959.

<sup>2</sup> Entire unobligated balance of United Nations Relief and Works Agency (no amount specified) made available through June 30, 1959.



Mr. HAYDEN. Mr. President, the amount of the executive branch presentation by country is in many instances classified, and for that reason it is not possible to include in the committee report the amount of aid requested for each individual country. I have at my desk the presentation books prepared by the administration, and any Senator may examine the classified figures if he desires to do so.

Mr. President, I ask unanimous consent that the committee amendments to the bill be agreed to en bloc, that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The PRESIDING OFFICER. The motion before the Senate is to take up H. R. 13192. The Senate has not yet acted on that motion. The Senator from Illinois has requested recognition.

Mr. DOUGLAS. Mr. President, I wish to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. If the motion is agreed to, H. R. 2 would be temporarily laid aside in favor of the mutual-security bill.

The PRESIDING OFFICER. That is correct. That is the motion.

Mr. DOUGLAS. Mr. President, I know the majority leader made this motion in perfectly good faith, but once the mutual-security appropriation bill is before the Senate and passed, there is great danger of filibustering H. R. 2 to death. As I look around, I pick out various Members from adjoining States who are athletic opponents of H. R. 2. I see piles of documents on their desks. I am very fearful that if H. R. 2 is once laid aside in favor of mutual security, it will be dead. I trust our majority leader will keep the Senate in session until we get a vote one way or the other on H. R. 2.

Mr. JOHNSON of Texas. That will depend entirely on the Senate.

The only vote I wish to get now is a vote on the mutual security appropriation bill. The reason I want to get a vote on the bill as early as possible is that the independent offices appropriation bill will also come before the Senate shortly, and both bills will probably have to go to conference. I intend to bring up the diversion bill by motion. How long the Senate will debate it I do not know. It will depend on the pleasure of the Senate. Therefore, I cannot assure the Senator from Illinois.

Mr. DOUGLAS. Mr. President, once H. R. 2 is laid aside and the Senate takes up the appropriation bill, our athletic friends will talk H. R. 2 to death. I am trying to protect H. R. 2. I do not want to have it subjected to that fate, not believing in the filibuster.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LAUSCHE. If the bill is talked to death it will be for the good of the country. [Laughter.]

Mr. DOUGLAS. The statement of the Senator from Ohio indicates his frame

of mind. It confirms my suspicion. I wonder if our able and distinguished majority leader would be willing to permit the Senate to come to a vote on this matter?

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOUGLAS. I believe that if our friends knew that the mutual security bill was outstanding, their oratorical onslaughts would be somewhat diminished.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to proceed to consider H. R. 13192, making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes (putting the question).

The motion was agreed to; and the Senate proceeded to consider the bill, H. R. 13192, making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Several Senators addressed the Chair.

Mr. JOHNSON of Texas obtained the floor.

Mr. JOHNSON of Texas. I yield first to the Senator from Arizona [Mr. HAYDEN], and then to the Senator from Oklahoma.

Mr. HAYDEN. I ask the Presiding Officer whether my request for unanimous consent that the committee amendments be agreed to en bloc was agreed to?

The PRESIDING OFFICER. The Chair asks the Senator from Arizona to restate his request.

Mr. HAYDEN. The request is to adopt all the committee amendments en bloc.

The PRESIDING OFFICER. Is there objection to agreeing to the committee amendments en bloc?

Mr. JAVITS. Mr. President, if the amendments are agreed to en bloc, will the bill be open to further amendment?

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. There is a parliamentary inquiry pending. The Senator from New York has addressed a parliamentary inquiry to the Chair, which has not yet been answered.

Mr. KNOWLAND. Mr. President, I understood that the Senator from Arizona asked that the amendments of the Committee on Appropriations be considered and agreed to en bloc, with the understanding that the bill be considered de novo and subject to amendment, and that no points of order are waived.

The PRESIDING OFFICER. Will the Senator from Arizona restate his request?

Mr. HAYDEN. I shall repeat it. I ask unanimous consent that the committee amendments to the bill be agreed to en bloc and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

Mr. JAVITS. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. McCLELLAN. If the order is entered, does it mean that we cannot then offer any amendment to the bill?

Mr. HAYDEN. Oh, no.

The PRESIDING OFFICER. The Chair is advised that if the request of the Senator from Arizona is agreed to, any amendment which any Senator desires to offer may be offered to the bill.

Mr. McCLELLAN. I thank the Chair.

The PRESIDING OFFICER. Any amendment which would be within the rules of the Senate.

#### RAISING THE DEBT LIMIT

Mr. LAUSCHE. Mr. President, I wish to state my position in respect to the vote I cast on raising the debt ceiling. I feel I have done everything possible to keep the debt down. I voted against what I believe to be unnecessary expenditures and unjustified invasion by the Federal Government of private enterprise, and to the assumption of functions by the Federal Government which have always been performed by local or State governments.

I voted for all the measures mentioned by the Senator from Wisconsin [Mr. PROXMIER] to close leaks in the collection of taxes. It is for that reason that I voted against lifting the debt ceiling.

I do not subscribe to the idea of fixing a ceiling and then disregarding it and lifting it and spending far above it, and then with great indifference making the ceiling conform to extravagant spending.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

#### THE OMNIBUS HOUSING BILL

Mr. LAUSCHE. Mr. President, I wish to withdraw my objection to the second reading of the omnibus housing bill. Previously I raised objection to it. I desire to withdraw it at this time.

Mr. GOLDWATER. Mr. President, due to the fact that the Senator from Ohio has withdrawn his objection to the second reading of the new housing bill, I object to the second reading of the housing bill.

#### MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc, with the limitations proposed by the Senator from Arizona.



Without objection, the committee amendments are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 2, line 2, after the word "of", to strike out "title I, chapter 1" and insert "chapter I."

On page 2, line 8, after "131 (b)", to strike out "\$700,000,000" and insert "\$790,000,000: *Provided*, That not less \$50,000,000 thereof, shall be available for Spain exclusive of technical cooperation."

On page 2, line 12, after "section 203," to strike out "\$300,000,000" and insert "\$580,000,000."

On page 2, line 23, after "section 400 (a)," to strike out "\$185,000,000" and insert "\$200,000,000."

On page 4, line 4, after "section 451 (b)," to strike out "\$100,000,000" and insert "\$155,000,000."

On page 5, line 12, after the word "exceed", to strike out "\$1,000,000" and insert "\$1,250,000."

At the top of page 7, to insert a new section, as follows:

SEC. 106. The appropriations and authority with respect thereto in this act shall be available from July 1, 1958, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1958, and the date of enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof.

On page 7, after line 7, to insert the following new section:

SEC. 107. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this act or any prior act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

On page 7, after line 13, to insert the following new section:

SEC. 108. Not to exceed 50 percent of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: *Provided*, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives.

The PRESIDING OFFICER. The bill is open to further amendment.

#### RAISING THE DEBT LIMIT

Mr. GOLDWATER. I should like to explain my vote against raising the debt ceiling. I have been in business all my life, at least until I came to the Senate. When the credit of a business gets bad, it cannot get a bank to lend it any money. The United States Government is getting into the position where its credit is getting into bad shape. I believe the only way we can stop the ridiculous spending spree that Congress has entered upon is to say to the Federal Government, "There will be no more money for you. Start cutting your suit to fit the cloth." There will have to be an end to the wild, reckless, and ridicu-

lous Federal spending, or there will be an end to the Federal Government.

I have voted consistently, since I have come to the Senate, to cut the budget by means of economizing, and I intend, as long as I am in the Senate, to continue that kind of voting.

Mr. MORSE. Mr. President, I wish to make a brief statement with regard to my vote against raising the debt ceiling, although my reasons may be different from those stated by other Senators.

I am not greatly concerned about an increase in the debt, if the increase is for purposes of eventually increasing the wealth of America.

We have been confronted by an administration which has opposed great self-liquidating and wealth-creating projects. We have been confronted with an administration which has been opposed, for example, to the building of great multipurpose dams which would repay to the Treasury many times their cost, and would conserve the natural resources of the country, and would in the long run increase the wealth of the country far beyond the construction costs of those particular projects.

I have no objection to increasing the debt of this country if it is for purposes which will promote the general welfare of the people of this country.

We are confronted with an administration which has taken a very reactionary line with regard to most pieces of general welfare and social welfare legislation which would accrue to the benefit of the American people.

We have been confronted with an administration which has participated in a handout program to wealthy and vested interests in the country. The administration has favored great corporations with tax loopholes. It has not followed a policy which would save for the American people on those expenditures in respect to which savings should be made. The administration promised in its campaign of 1952 that it would bring about great savings and reductions in the national debt. Year after year the administration has increased the national debt and increased the cost of living along with it.

Mr. President, I opposed increasing the national debt also because as a member of the Committee on Foreign Relations I have warned the Senate for several years of the great waste by the administration in the administration of the foreign aid program, particularly in the field of military aid. We have wasted hundreds and hundreds of millions of dollars in the life of this administration, which have totaled several billion dollars in this field, particularly with respect to military aid. We have an administration which in my judgment has given us an example of further waste, a waste of many millions of dollars, as the final accounting will show, occasioned by the sending of Marines into Lebanon, where not a single Marine should have been sent.

We have seen our country in recent days go through a face-saving process on behalf of the United States, when it is known that behind the scenes at the United Nations most of the members of

the United Nations were against the policies we have followed in Lebanon by way of sending troops into that country.

Mr. President, we cannot make those mistakes without a cost of millions and millions of dollars. I do not propose to vote tonight to increase the debt ceiling for an administration which has wasted huge sums of American taxpayers' dollars during its life. It is about time for us to say to this administration, "We will give you no more."

#### NATIONAL CAPITAL CENTER FOR THE PERFORMING ARTS

Mr. MONRONEY. Mr. President, I was unfortunately absent from the floor of the Senate at the time S.H. 3335, for the establishment of a National Capital Center for the Performing Arts, was passed. Because of my interest in the legislation and also in the tenants who will be displaced by the acquisition of the land required, I should like to ask the distinguished able manager of the bill on the floor, the distinguished Senator from Michigan [Mr. McNAMARA] 1 or 2 questions about it, which I hope will be considered as a part of the legislative history of the act.

As I understand, the bill provides that the National Capital Center for the Performing Arts shall be given a period of 5 years in which private individuals will raise the money for the establishment of the cultural center to be located in the Foggy Bottom area.

Mr. McNAMARA. The Senator from Oklahoma is absolutely correct about the 5-year period. However, I wish to point out that the Commission now has enough money on hand to purchase the slightly more than one acre which is privately held. The remainder of the property already belongs to the Government. Therefore the purchase may be made at any time.

Mr. MONRONEY. The point about which I was asking the Senator was whether the tenants having small businesses—I have reference to the historic gallery, the waxworks—will be permitted to continue in that location as a lessor from the Government until such time as the property is actually needed for the construction of the Cultural Arts Center.

Mr. McNAMARA. As I understood the action of the committee, it was that the tenants could remain until such time as the property was actually needed; and, of course, that would involve, as the Senator from Oklahoma points out, raising the necessary funds to proceed with the project. However, I would not encourage the tenants to rely too much on that, because there is an indication that the money will be raised rapidly.

But there is no reason in the world why the tenants should not remain there. They might become tenants of the United States Government and continue as such on a month-to-month basis.

Mr. MONRONEY. Until the contractors are ready to go to work, and the land is needed for the actual construction, the tenants would prefer to re-



main there, if the property were to remain idle, until such time as construction begins. If it is the opinion of the Senator from Michigan that that will be permitted under the bill, I deeply appreciate his courtesy in extending this information to me at this later time.

Mr. McNAMARA. That is definitely my understanding. I am sure the situation will continue in the manner in which the Senator has outlined.

Mr. MONRONEY. I thank the Senator from Michigan.

#### MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. ELLENDER. Mr. President, I call up my amendment designated 8-28-58-C and ask that it be read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 6, it is proposed to strike out "\$1,515,000,000" and insert in lieu thereof "\$1,415,000,000."

Mr. ELLENDER. Mr. President, I understand that there will be no further votes tonight, and that this amendment will be the pending question for tomorrow.

Mr. MANSFIELD. The Senator from Alabama is correct.

#### ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it adjourn until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

#### PROPOSED NATIONAL STANDARDS FOR STATE BILLBOARD REGULATION

Mr. NEUBERGER. Mr. President, my office continues to receive many inquiries about the progress toward carrying out the billboard-regulation provisions which were added by Congress this spring to the law authorizing our great new National System of Interstate Highways. The wide public interest in this question will undoubtedly be focused, in the weeks and months immediately ahead, on the proposed national standards which have been prepared by the Department of Commerce, and on the progress of plans in the different States for seeking State participation in the program and acceptance of these national standards.

To make available to the many interested persons some recent materials on this whole subject, I would like to place a series of items in the RECORD today. I shall not include the actual text of the

national standards as proposed by the Department of Commerce, because I understand that they will appear in the Federal Register next Monday, August 25, and that the Department will welcome comments and suggestions thereon during the following 30 days, before the national standards will become official in their final form.

I ask unanimous consent to have printed in the RECORD, first, an exchange of correspondence between myself and Secretary of Commerce Sinclair Weeks on August 12, 1958, bearing upon testimony given by Secretary Weeks before the Senate Subcommittee on Public Roads on that date; a letter of August 18, 1958, from Secretary Weeks to me, transmitting the draft of the proposed national standards; press reports on these national standards from U. S. News & World Report for August 2, 1958, and Washington Daily News of August 22, 1958; a letter to the Secretary signed by the able junior Senator from California [Mr. KUCHEL] and me—as the Senate sponsors of the legislation finally adopted—in which we have made certain comments with respect to the provisions in the draft national standards governing "signs in the specific interest of the traveling public," which may be permitted by the States under the terms of the act.

Finally, I ask unanimous consent also to include in the CONGRESSIONAL RECORD an interesting editorial from the Portland Oregonian of August 17, 1958, commenting on the role which the issue of signboard regulation along our spectacular new Interstate Highway System—and the sterling leadership which the chairman of the Senate Subcommittee on Public Roads, the Senator from Tennessee [Mr. GORE], gave in this issue—apparently played in the recent primary election contest in the State which the chairman of the subcommittee does—and will—so ably help to represent in this body.

There being no objection, the correspondence, article, and editorial were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,  
COMMITTEE OF PUBLIC WORKS,  
August 12, 1958.

HON. SINCLAIR WEEKS,  
Secretary of Commerce,  
Washington, D. C.

DEAR MR. SECRETARY: I regret that an executive session of another committee on which I serve made it impossible for me to attend the meeting of the Senate Subcommittee on Public Roads this morning, at which you and the general counsel of your Department, Mr. Frederick C. Nash, discussed the outlines of your forthcoming set of national standards for the regulation of roadside signboards along the new Interstate Highway System. However, I have reviewed some of the discussion which took place between you and Mr. Nash and members of the committee. As the original sponsor of this legislation, I have a number of questions which I would like to present to you in an effort to clarify some of the issues raised since I was unable to ask them in person at this morning's meeting.

First, I would like to express my appreciation for the obviously thoughtful and conscientious work which has been done by the responsible personnel of your Depart-

ment, seeking to work out effective national standards under this new legislation. I am particularly pleased that you have apparently decided to accept the suggestion which I made in my Senate speech on May 13, for the installation by the States of informational boards for pedestrian-sized advertising on the safety rest areas along the interstate highways.

The following aspects of the program appear to require additional clarification:

(1) Questions were raised about the applicability of national standards within municipal areas and other areas zoned for industrial or commercial use under State law. If a municipality or other local governmental unit, in the exercise of its own zoning or police powers, chooses to impose regulations on signboards which meets or exceeds the national standards, is there any question but what an area so regulated may be included by the State within the mileage which may be covered by its statewide agreement with the Department of Commerce?

(2) Obviously, if State legislation exceeds the national standards to be promulgated by you, in imposing even more stringent regulations or even complete prohibition of billboards along interstate highways, that State would qualify for the Federal assistance provided under the new law. Will this fact be spelled out clearly in the statement of standards to be published by your department?

(3) The legislative debate on the bill explains that the mere local sale of brand-name national products—i. e. toothpaste or automobiles—by local dealers is not a local activity permitted advertising within 12 miles of the particular retail outlet. Will this fact be clearly stated in the national standards?

(4) While the law is fairly explicit about the types of signs to be covered by the standards and about their geographic coverage, it states little about the other necessary terms of the agreements. Upon careful analysis, is there any real question but that these agreements may legally contain provisions for the recovery of the Federal bonus payments, should the State at some future date decide to change its policies, and to abandon billboard regulations consistent with the national standards?

(5) I would like information on two additional matters which do not relate to the national standards but about which I have received repeated inquiries. In view of the remarks of President Eisenhower in signing the Federal-Aid Highway Act of 1958, to the effect that present billboard control provisions have certain shortcomings, does the administration contemplate asking for corrective amendatory legislation at the beginning of the next session of Congress? And what information can you give me about the nature of State legislation which may have been adopted or which may have been drafted for introduction in coming State legislative sessions?

Finally, let me express my approval of your statement that you intend to limit the size of permissible signs to something in the neighborhood of 50 or 60 square feet, rather than to permit the common 24-sheet billboards.

I shall look forward to having the answers to the questions I have asked as early as may be at all possible for you or your associates to provide them.

With good wishes,  
Sincerely,

RICHARD L. NEUBERGER,  
United States Senator.

THE SECRETARY OF COMMERCE,  
Washington, D. C., August 12, 1958.

HON. RICHARD L. NEUBERGER,  
United States Senate,  
Washington, D. C.

DEAR SENATOR NEUBERGER: This is in reply to your letter of August 12, 1958, raising cer-







## MUTUAL SECURITY ACT OF 1959

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AUGUST 23, 1958.—Ordered to be printed

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Mr. PASSMAN, from the committee of conference, submitted the following

### CONFERENCE REPORT

[To accompany H. R. 13192]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13192) making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, and 7, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$750,000,000; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$400,000,000; and the Senate agree to the same.



The committee of conference report in disagreement amendments numbered 3, 8, 9, and 10.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
JOHN J. ROONEY,  
WILLIAM H. NATCHER,  
WINFIELD K. DENTON,  
HUGH ALEXANDER,  
GEORGE ANDREWS,  
CLARENCE CANNON,  
JOHN TABER,  
RICHARD B. WIGGLESWORTH (except  
as to amendment No. 4),  
GERALD R. FORD, Jr. (except  
as to amendment No. 4),  
EDWARD T. MILLER (except  
as to amendment No. 4),

*Managers on the Part of the House.*

CARL HAYDEN,  
RICHARD B. RUSSELL,  
DENNIS CHAVEZ,  
ALLEN J. ELLENDER,  
LISTER HILL,  
LEVERETT SALTONSTALL (with  
reservations),  
EDWARD J. THYE,  
EVERETT M. DIRKSEN (with  
reservations),

*Managers on the Part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13192) making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

### MUTUAL SECURITY

#### FUNDS APPROPRIATED TO THE PRESIDENT

##### MILITARY ASSISTANCE

Amendment No. 1: Changes citation as proposed by the Senate.

##### DEFENSE SUPPORT

Amendment No. 2: Appropriates \$750,000,000 instead of \$700,000,000 as proposed by the House and \$790,000,000 as proposed by the Senate.

Amendment No. 3: Reported in disagreement.

##### DEVELOPMENT LOAN FUND

Amendment No. 4: Appropriates \$400,000,000 instead of \$300,000,000 as proposed by the House and \$580,000,000 as proposed by the Senate.

##### SPECIAL ASSISTANCE

Amendment No. 5: Appropriates \$200,000,000 as proposed by the Senate instead of \$185,000,000 as proposed by the House.

##### PRESIDENT'S SPECIAL AUTHORITY AND CONTINGENCY FUND

Amendment No. 6: Appropriates \$155,000,000 as proposed by the Senate instead of \$100,000,000 as proposed by the House.

##### CORPORATIONS

##### LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Amendment No. 7: Limits administrative expenses of the Development Loan Fund to not to exceed \$1,250,000 as proposed by the Senate instead of \$1,000,000 as proposed by the House.



## GENERAL PROVISIONS

Amendments Nos. 8, 9, and 10: Reported in disagreement.

The amounts contained in the bill agreed to by the conferees were too small in the view of some of the conferees, especially in the Development Loan Fund. It is understood that if additional funds are needed next January for the purposes contained in this bill, the Appropriations Committees of the House and Senate will give earnest consideration to the recommendations of the Executive in view of the importance of maintaining our friendly relations with countries with whom we have undertakings.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
JOHN J. ROONEY,  
WILLIAM H. NATCHER,  
WINFIELD K. DENTON,  
HUGH ALEXANDER,  
GEORGE ANDREWS,  
CLARENCE CANNON,  
JOHN TABER,  
R. B. WIGGLESWORTH (except  
as to amendment No. 4),  
GERALD R. FORD, Jr. (except  
as to amendment No. 4),  
EDWARD T. MILLER (except  
as to amendment No. 4),  
*Managers on the Part of the House.*



85TH CONGRESS  
2D SESSION

# H. R. 13192

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 23, 1958

Ordered to be printed with the amendments of the Senate numbered

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## AN ACT

Making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That the following sums are appropriated, out of any money  
4       in the Treasury not otherwise appropriated, for the fiscal  
5       year ending June 30, 1959, namely:

6                       MUTUAL SECURITY

7                       FUNDS APPROPRIATED TO THE PRESIDENT

8       For expenses necessary to enable the President to carry  
9       out the provisions of the Mutual Security Act of 1954, as  
10      amended, to remain available until June 30, 1959, unless  
11      otherwise specified herein, as follows:



1 Military assistance: For assistance authorized by section  
 2 103 (a) to carry out the purposes of ~~(1)title I, chapter 1~~  
 3 *chapter I* (including administrative expenses as authorized  
 4 by section 103 (b), which shall not exceed \$25,000,000 for  
 5 the fiscal year 1959, and purchase for replacement only of  
 6 passenger motor vehicles for use abroad), \$1,515,000,000;

7 Defense support: For assistance authorized by section  
 8 131 (b), ~~(2)\$700,000,000~~ \$790,000,000~~(3)~~: *Provided,*  
 9 *That not less than \$50,000,000 thereof shall be available*  
 10 *for Spain exclusive of technical cooperation;*

11 Development Loan Fund: For advances to the Develop-  
 12 ment loan fund as authorized by section 203, ~~(4)\$300,-~~  
 13 ~~000,000~~ \$580,000,000, to remain available until expended;

14 Technical cooperation, general authorization: For assist-  
 15 ance authorized by section 304, \$150,000,000;

16 United Nations expanded program of technical assist-  
 17 ance and related fund: For contributions authorized by  
 18 section 306 (a), \$20,000,000;

19 Technical cooperation programs of the Organization of  
 20 American States: For contributions authorized by section  
 21 306 (b), \$1,500,000;

22 Special assistance, general authorization: For assistance  
 23 authorized by section 400 (a), ~~(5)\$185,000,000~~ \$200,-  
 24 000,000;

25 Intergovernmental Committee for European Migration:

1 For contributions authorized by section 405 (a), \$12,500,-  
2 000: *Provided*, That no funds appropriated in this Act shall  
3 be used to assist directly in the migration to any nation in  
4 the Western Hemisphere of any person not having a security  
5 clearance based on reasonable standards to insure against  
6 Communist infiltration in the Western Hemisphere;

7 Program of United Nations High Commissioner for  
8 Refugees: For contributions authorized by section 405 (c),  
9 \$1,200,000;

10 Escapee program: For assistance authorized by section  
11 405 (d), \$8,600,000;

12 United Nations Children's Fund: For contributions  
13 authorized by section 406, \$11,000,000;

14 United Nations Relief and Works Agency: For con-  
15 tributions and expenditures authorized by section 407, \$25,-  
16 000,000, and in addition the unobligated balances of funds  
17 heretofore made available for this purpose are continued  
18 available;

19 Ocean freight charges, United States voluntary relief  
20 agencies: For payments authorized by section 409 (c),  
21 \$2,100,000;

22 Control Act expenses: For carrying out the purposes of  
23 the Mutual Defense Assistance Control Act of 1951, as  
24 authorized by section 410, \$1,000,000;



1       General administrative expenses: For expenses author-  
2 ized by section 411 (b), \$33,000,000;

3       Atoms for Peace: For assistance authorized by section  
4 419, \$5,500,000;

5       President's Special Authority and Contingency Fund:  
6 For assistance authorized by section 451 (b), ~~(6)~~\$100,-  
7 ~~000,000~~ \$155,000,000;

8       President's Fund for Asian Economic Development:  
9 Unobligated balances of funds heretofore made available for  
10 the President's Fund for Asian Economic Development are  
11 hereby continued available for the fiscal year 1959 for the  
12 purposes for which originally appropriated.

13       Funds appropriated under each paragraph of this Act  
14 (other than appropriations under the head of military assist-  
15 ance), including unobligated balances continued available,  
16 and amounts certified pursuant to section 1311 of the Supple-  
17 mental Appropriation Act, 1955, as having been obligated  
18 against appropriations heretofore made for the same general  
19 purpose as such paragraph, which amounts are hereby con-  
20 tinued available (except as may otherwise be specified in  
21 this Act) for the same period as the respective appropria-  
22 tions in this Act for the same general purpose, may be con-  
23 solidated in one account for each paragraph.

## DEPARTMENT OF STATE

Administrative expenses: For expenses of the Department of State as authorized by section 411 (c) of the Mutual Security Act of 1954, as amended, \$6,692,500.

## CORPORATIONS

The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation, except as hereinafter provided:

## LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Not to exceed ~~(7)\$1,000,000~~ \$1,250,000 of the funds of the Development Loan Fund shall be available during the fiscal year 1959 for administrative expenses of the Fund covering the categories set forth in the fiscal year 1959 budget estimates for such expenses.

## GENERAL PROVISIONS

SEC. 102. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes



1 within the United States not heretofore authorized by the  
2 Congress.

3 SEC. 103. Payments made from funds appropriated  
4 herein for engineering fees and services to any individual  
5 engineering firm on any one project in excess of \$25,000  
6 shall be reported to the Committees on Appropriations of the  
7 Senate and House of Representatives at least twice annually.

8 SEC. 104. Except for the appropriations entitled "Presi-  
9 dent's special authority and contingency fund" and "Devel-  
10 opment loan fund", not more than 20 per centum of any  
11 appropriation item made available by this Act shall be  
12 obligated and/or reserved during the last month of avail-  
13 ability.

14 SEC. 105. The Congress hereby reiterates its opposi-  
15 tion to the seating in the United Nations of the Communist  
16 China regime as the representative of China, and it is hereby  
17 declared to be the continuing sense of the Congress that the  
18 Communist regime in China has not demonstrated its will-  
19 ingness to fulfill the obligations contained in the Charter of  
20 the United Nations and should not be recognized to represent  
21 China in the United Nations. In the event of the seating  
22 of representatives of the Chinese Communist regime in the  
23 Security Council or General Assembly of the United Nations,  
24 the President is requested to inform the Congress insofar as  
25 is compatible with the requirements of national security,

1 of the implications of this action upon the foreign policy of  
2 the United States and our foreign relationships, including  
3 that created by membership in the United Nations, together  
4 with any recommendations which he may have with respect  
5 to the matter.

6 **(8)***SEC. 106. The appropriations and authority with re-*  
7 *spect thereto in this Act shall be available from July 1, 1958,*  
8 *for the purposes provided in such appropriations and authority.*  
9 *All obligations incurred during the period between June 30,*  
10 *1958, and the date of enactment of this Act in anticipation*  
11 *of such appropriations and authority are hereby ratified and*  
12 *confirmed if in accordance with the terms hereof.*

13 **(9)***SEC. 107. None of the funds provided by this Act nor*  
14 *any of the counterpart funds generated as a result of assist-*  
15 *ance under this Act or any prior Act shall be used to pay*  
16 *pensions, annuities, retirement pay or adjusted service com-*  
17 *pensation for any persons heretofore or hereafter serving*  
18 *in the armed forces of any recipient country.*

19 **(10)***SEC. 108. Not to exceed 50 per centum of the foreign*  
20 *currencies heretofore generated in any country under section*  
21 *402 of the Mutual Security Act of 1954, as amended, may,*  
22 *notwithstanding prior provisions of law, hereafter be used*  
23 *in accordance with the provisions of that section: Provided,*  
24 *That quarterly reports of the use of foreign currencies pur-*  
25 *suant to this section shall be submitted to the Committees on*









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## AN ACT

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Making appropriations for Mutual Security  
for the fiscal year ending June 30, 1959, and  
for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 23, 1958

Ordered to be printed with the amendments of the  
Senate numbered

21. VIRGIN ISLANDS. Adopted the conference report on H. R. 12226, to extend until June 30, 1959, the charter of the Virgin Islands Corporation, including new authority to operate salt water distillation facilities and continuation of authority for sugar production. p. 17600
22. FRUITS. Sen. Langer inserted an article on a proposed chokecherry preserve industry in N. D. pp. 17752-3

SENATE - August 23, 1958

23. MUTUAL SECURITY APPROPRIATION BILL, 1959. Both Houses received and agreed to the conference report on this bill, H. R. 13192 (H. Rept. 2704). The Senate had passed the bill earlier as reported by the Appropriations Committee. pp. 17787-88, 17826-28, 17850-62, 17955-6, 17974-8, 17991-2, D897-98 This bill will now be sent to the President.
24. INDEPENDENT OFFICES APPROPRIATION BILL, 1959. Passed with amendments this bill, H. R. 13856. (pp. 17865-76) Rejected, 30 to 45, an amendment by Sen. Williams, for himself and several others, which would have requested the President to review expenditures programmed by the Federal agencies during 1959, and to reduce expenditures 2 percent on defense items, and 4 to 10 percent on expenditures of other agencies (except for certain fixed cost items), and to report on actions taken on such a review to be included in the 1960 budget. (pp. 17868-74) The House concurred in the Senate amendments with an amendment of its own. (p. 17965) The Senate then concurred in the House amendment. (pp. 17994-7) This bill will now be sent to the President.
- Received from the President a supplemental appropriation request for the Departments of Labor and Treasury (S. Doc. 119). p. 17758
25. FORESTRY. Passed without amendment H. R. 12281, to authorize the Secretary of Interior to exchange lands to provide for an administrative site in the El Portal area of the Yosemite National Park, including the exchange of National Forest land. (p. 17790) This bill will now be sent to the President.
- Sen. Morse inserted a series of resolutions adopted by the Ore. State Labor Council relating to forestry, timber, forest disease, water power, etc. pp. 17776-8
26. BUTTER; CHEESE. Agreed to the House amendments to S. 2006, to amend the Internal Revenue Code of 1954 so as to relieve the Surgeon General of the Army and Navy from sitting with the Secretary of Agriculture on appeals boards to decide appeals from the decision of the Secretary of the Treasury on cases involving deleterious substances in butter or oleomargarine or in any substance in the manufacture of so-called filled cheese. (pp. 17786-7) This bill will now be sent to the President.
27. SCHOOL LUNCHES. Agreed to the House amendment to S. 1764, to authorize payment of the cost of free lunches for needy children in the D. C. public schools. (p. 17787) This bill will now be sent to the President.
28. FOOD ADDITIVES. Passed with amendments H. R. 13254, to prohibit the use of food additives until after adequate tests of their safety have been determined. Agreed to an amendment by Sen. Williams to exempt from the bill those products regulated under the Poultry Products Inspection Act. The House concurred in the Senate amendment to the bill. (pp. 17791-2, 17938) This bill will now be sent to the President.



elimination of the Senate limitation of 300 rural redevelopment counties, of the appointment of local redevelopment committees, and of the specific employment of private firms for technical assistance; and (e) minor changes in the urban renewal part of the program."

13. FARM PROGRAM. Sen. Proxmire stated that the April 1 reduction in dairy price supports cost Wis. dairymen \$8 $\frac{1}{2}$  million in the past 4 months, and that at the same time consumers had not benefited, and alleged that the Administration's policies were aiding only the middleman. He inserted a table showing the increase in USDA expenditures since 1953, and quoted from a 1952 speech by the President as a basis for contending that the Secretary was following a contrary policy. pp. 17534-6

Sen. Martin, Iowa, spoke on "Fifty Facts For Farmers," citing various statistics and information to show that trends in agriculture were favorable. pp. 17614-6

14. EDUCATION. Agreed, 66 to 15, to the conference report on H. R. 13247, the national defense education bill. pp. 17577-87

Sen. Neuberger inserted an article on the national defense education bill. H. R. 13247. p. 17753

15. PUBLIC DEBT. Passed as reported, 57 to 20, H. R. 13580, to increase the public debt limit to \$288 billion through fiscal year 1959, and \$283 billion thereafter. pp. 17629-30, 17725, 17729-49, 17753-4

16. PERSONNEL. Concurred in the House amendments to S. 1903, to provide that Presidential appointees who serve specific terms of more than 2 years overseas shall be entitled to travel expenses, the same as other Federal employees, when they return to their place of residence at the end of their tour of duty. p. 17590

Sen. Allott commended Federal employees who "under handicaps of more work with fewer people, are doing so well in the field of public service," and cited the Federal Housing Administration office in Colo. as an example. p. 17540

17. FOREIGN AID. Senate began debate on H. R. 13192, the mutual security appropriation bill for 1959. The committee amendments were adopted. pp. 17747-50

Sen. Watkins submitted an amendment to be proposed to H.R. 13192, the mutual security appropriation bill for 1959, to add \$2.5 million to the bill and allow the President to use such funds to alleviate economic hardships overseas caused by the application of the application of the escape clause provision of the Trade Agreements Act. p. 17515

18. SURPLUS COMMODITIES; FOREIGN TRADE. Sens. Schoeppel urged enactment of legislation to extend Public Law 480 so as to aid in sales of surplus farm commodities pp. 17529-30

19. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 13856, the independent offices appropriation bill for 1959 (S. Rept. 2495). p. 17754

Sens. Bridges and Williams submitted an amendment to be proposed to H. R. 13856, the independent offices appropriation bill for 1959, to request the President to reduce expenditures 2% on defense items, and 4 to 10% on other appropriations (except for fixed cost items such as interest, pensions, Federal-State cooperative benefits, or veterans compensation), with a report on actions taken on such review to be included in the 1960 budget. p. 17754

20. CONTRACTS. Passed as reported H.R. 11749, to extend the Renegotiation Act of 1951 for 6 months. Senate conferees were appointed. pp. 17558, 17596-9



(1) by striking out "(a) Taxability.—"; and

(2) by striking out subsections (b) and (c) thereof.

(b) (1) Section 4835 of the Internal Revenue Code of 1954 (relating to administrative decisions in respect of filled cheese) is repealed.

(2) The table of sections for subpart A of part II of subchapter C of chapter 39 of the Internal Revenue Code of 1954 is amended by striking out

"Sec. 4835. Administrative decisions."

(c) Paragraph (2) of section 7303 of the Internal Revenue Code of 1954 (providing for forfeiture of certain property) is repealed.

SEC. 2. Section 351 (d) of the Public Health Service Act (58 Stat. 709; 42 U. S. C., sec. 262 (d)) is amended by striking out "regulations made jointly by the Surgeon General, the Surgeon General of the Army, and the Surgeon General of the Navy, and approved by the Administrator," and inserting in lieu thereof "regulations."

Mr. HILL. Mr. President, the House has added to the bill an amendment which is entirely acceptable to the Department of Health, Education, and Welfare, the Department of Defense, the Treasury Department, and all the other departments.

Therefore, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

#### MISSILE DEVELOPMENT

Mr. SPARKMAN. Mr. President, the remarks I wish to make are in no way designed to detract from the work of any branch of the armed services. All of them, I feel sure, are doing their best as they see it.

On Thursday my distinguished colleague from Massachusetts [Mr. SALTONSTALL], presented a list of military achievements which he cited as the hard facts of our defense posture. One of the achievements he named was the Bomarc, which the senior Senator from Massachusetts described as "a deadly defensive missile which has been fired with incredible accuracy."

It is not my purpose to take issue with this statement, but rather to fill a void which exists in the information presented by the senior Senator from Massachusetts. Through inadvertence, I feel sure, my distinguished colleague from Massachusetts failed to mention as a major element of our defense structure, the only operational land-based air-defense missile we have in our arsenal—the Army's Nike family of anti-aircraft weapons.

Nike-Hercules, the second generation of the Nike air-defense weapons, is the most lethal and most advanced air-defense weapon in the hands of our forces today. We have no other operational weapon which approaches its lethality, accuracy, range, or reliability. The growth potential of the Nike-Hercules is unrivaled, and has been proved beyond question. The next generation of Nike missiles—the Nike-Zeus is in the hardware-development stage. It is the only anti-ICBM missile in our arsenal

which is beyond the drawing board. Its developers are certain of its success.

Without intending to take issue at this time with what the distinguished senior Senator from Massachusetts has said about our defense posture, I believe it is in order to clarify our capabilities in the field of air defense. Therefore, it is necessary, I feel, to point out the operational effectiveness of Nike-Hercules and its proven growth potential. On the other hand, the Bomarc missile is, in fact, an unmanned interceptor. It is not operational, and its reliability is discouragingly low—something on the order of 25 percent of the proven reliability of the Nike-Hercules. Its altitude range is distinctly limited. Thus far, approximately \$1 billion has been spent on the Bomarc program, and, I repeat, it is not yet operational. This is more than twice the amount which has been spent to date on the development of the Nike family and the land-based Talos.

Mr. President, I should like to conclude these remarks by calling attention to the essential and fundamental part which has been played in the development of the Nike missile family, the Redstone, the Jupiter, and, as a matter of plain fact, the general development of our missiles by the great missile team at the Army Ballistics Missile Agency in Huntsville, Ala. The experience and know-how of this group of experts in Alabama is unmatched elsewhere in this Nation. It is to this group we owe what success we have made in the field of earth satellites, and to them we should in all logic look for greater and greater developments.

#### AMENDMENT OF DISTRICT OF COLUMBIA PUBLIC SCHOOL FOOD SERVICES ACT

Mr. MORSE. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to the bill (S. 1764) to amend the District of Columbia Public School Food Services Act.

Mr. WILEY. Mr. President, will the Senator yield? This being the morning hour, I would like to have my 3 minutes.

Mr. MORSE. I yield to the Senator from Wisconsin.

(At this point Mr. WILEY asked and received consent to have printed in the Appendix of the RECORD certain material, under the heading, "The Increasing Contributions of American Women to Public Service.")

Mr. MORSE. Out of an affection for my dear friend from Wisconsin, and in the spirit of a teacher, I want to assure him I was not out of order. I was happy to yield to him. I was presenting a privileged matter, which had precedence over his request. But I am always delighted to yield to him.

Mr. WILEY. I have not seen any evidence lately—with the emphasis on the word "lately"—of the Senator's being out of order, but at times I have seen him when he was mighty close to being out of order.

Mr. MORSE. I can understand that would be the view of the Senator from Wisconsin, but he will look in vain to such a ruling from the Chair.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1764) to amend the District of Columbia Public School Food Services Act, which was, on page 1, line 10, after "cost" insert "": *Provided*, That such reimbursement shall be made only in cases where such lunches are served to children of families who are recipients of public assistance granted by the government of the District of Columbia."

Mr. MORSE. Mr. President, I hope that the Senate will concur in the amendment which has been made by the House of Representatives to S. 1764, a bill passed by this body on August 23, 1957, in order that the measure may be sent for Presidential signature. I state the unanimous opinion of the District of Columbia Committee.

The amendment of the House provides that reimbursement for lunches served in accordance with section 9 of the National School Lunch Act shall be made only to children from families receiving public assistance.

It does not limit the serving of free lunches or lunches at reduced cost to other children determined by the school authorities to be unable to pay for lunches. The limitation, I repeat, Mr. President, is upon the reimbursement that can be claimed, not upon the provision of school lunches to those who are in need.

The amended version, I am informed, is acceptable to the school authorities.

Mr. President, the amendment of the House is acceptable. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

#### MUTUAL SECURITY APPROPRIATIONS, 1959

The PRESIDING OFFICER. Is there further morning business? If not, the Chair lays before the Senate the unfinished business—

Mr. KNOWLAND. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. The Chair is making inquiry as to whether there is any further morning business. If not, the Chair will lay before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. Has there been an agreement to have a call of the calendar following conclusion of morning business?

The PRESIDING OFFICER. The order was to have a call of the calendar



sometime during the day. No definite hour was set.

The pending question is amendment lettered C, offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JAVITS in the chair). Without objection, it is so ordered.

#### CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it be in order to call the calendar at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and without objection, it is so ordered. The clerk will state the first measure on the calendar.

#### RESOLUTIONS AND BILLS PASSED OVER

The resolution (S. Res. 24) to amend rule XIV of the Standing Rules of the Senate, was announced as first in order.

Mr. TALMADGE. Mr. President, I ask that Calendar No. 69 (S. Res. 24) to amend rule XIV of the Standing Rules of the Senate;

Calendar No. 131 (S. Con. Res. 20) authorizing an investigation by the Federal Trade Commission into the activities and practices of companies engaged in the production, distribution, or sale of newsprint in interstate commerce;

Calendar No. 249 (S. 1164) to make the evaluation of recreational benefits resulting from the construction of any flood-control, navigation, or reclamation project an integral part of project planning, and for other purposes;

Calendar No. 264 (S. 1639) to provide for the suspension of the vesting of alien property and the liquidation of vested property, under the Trading With the Enemy Act;

Calendar No. 415 (S. 931) to provide for the reorganization of the safety functions of the Federal Government and for other purposes;

Calendar No. 585 (S. 2150) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes;

Calendar No. 722 (S. 1168) to amend the Securities and Exchange Act, as amended;

Calendar No. 726 (S. Res. 118) to amend rule XXVI so as to require committee reports proposing legislation or ratification of treaties, involving expenditure of public funds, to show the estimated costs thereof;

Calendar No. 861 (S. 1483) to amend the act of August 27, 1954, relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries;

Calendar No. 1074 (S. 984) conferring jurisdiction on the court of claims to make certain findings with respect to the amount of compensation to which certain independent ore producers are equitably entitled for uranium supplied by them to the United States during the period May 1, 1943, to August 5, 1945, and to provide for payment of the amounts so determined;

Calendar No. 1153 (H. R. 7168) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes;

Calendar No. 1183 (S. J. Res. 80) proposing an amendment to the Constitution of the United States relative to equal rights for men and women;

Calendar No. 1198 (S. 50) to provide for the admission of the State of Hawaii into the Union;

Calendar No. 1298 (S. 5) to amend the Federal Property and Administrative Services Act of 1949, as amended, to prevent the allocation of procurement contracts to certain designated geographical areas, and for other purposes;

Calendar No. 1337 (S. 213) to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law;

Calendar No. 1343 (S. 3039) amending the Agricultural Trade and Assistance Act of 1954, as amended;

Calendar No. 1392 (S. 3441) to provide for a minimum acreage allotment for corn and other purposes;

Calendar No. 1393 (S. 3408) to amend the Agricultural Adjustment Act of 1938, as amended, so as to provide that cotton acreage allotments for the States for 1958 and subsequent years shall be no less than in 1956, and for other purposes;

Calendar No. 1486 (S. 2861) to extend for an additional 4-year period the provisions of the National Wool Act of 1954;

Calendar No. 1499 (S. Con. Res. 62) to request the President to use his best efforts to bring about a meeting of representative citizens from all the North Atlantic Treaty Organization nations to examine ways to promote greater cooperation among those nations;

Calendar No. 1518 (H. R. 2783) to amend the Tariff Act of 1930, to provide for the free importation of amorphous graphite;

Calendar No. 1534 (S. Res. 17) to amend sec. 2 of rule XXII of the Standing Rules of the Senate;

Calendar No. 1616 (S. 2646) to limit the appellate jurisdiction of the Supreme Court in certain cases;

Calendar No. 1644 (S. 3862) to establish certain provisions with respect to the removal and the terms of office of the members of certain regulatory agencies;

Calendar No. 1647 (S. J. Res. 16) to establish a joint committee to investigate the gold-mining industry; and

Calendar No. 1672 (S. 3918) to authorize the sale of nonessential vessels

of the merchant marine national defense reserve fleet be passed over.

The PRESIDING OFFICER. The bills and resolutions will be passed over.

The bill (S. 3560) to authorize the construction of a courthouse and a Federal office building in Memphis, Tenn., and for other purposes, was announced as next in order.

Mr. BARRETT. Over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 83) to refer to the Court of Claims the bill (S. 819) for the relief of Mary A. Ford, was announced as next in order.

Mr. CLARK. Mr. President, I ask that Calendar No. 1990 (S. Res. 83) to refer to the Court of Claims the bill (S. 819) for the relief of Mary A. Ford;

Calendar No. 2009 (S. 3290) to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals;

Calendar No. 2056 (S. 11) to amend the Robinson-Patman Act with reference to equality of opportunity;

Calendar No. 2063 (H. R. 1435) for the relief of John I. Strong;

Calendar No. 2086 (S. 3185) to promote the conservation of migratory fish and game by requiring certain approval by the Secretary of the Interior of licenses issued under the Federal Permit Act;

Calendar No. 2091 (H. R. 6995) to amend Public Law 883, 84th Congress, to provide for the conveyance of certain additional property of the United States to the city of Roseburg, Oreg., and for other purposes;

Calendar No. 2104 (S. 4146) providing for payments as incentives for the production of certain strategic and critical minerals, and for other purposes;

Calendar No. 2109 (S. 237) to regulate the interstate transportation of lobsters, and to define the term "lobster" for the purpose of the Federal Food, Drug, and Cosmetic Act;

Calendar No. 2139 (S. 4162) to further amend the Defense Production Act of 1950, as amended;

Calendar No. 2146 (S. Res. 353) opposing the suspension of deportation of James Chin Lee;

Calendar No. 2241 (S. 2142) to amend section 8 (e) of the Agricultural Adjustment Act, to provide for the extension of the restrictions on imported citrus fruits, sliced figs, dried figs, and fig paste;

Calendar No. 2258 (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes;

Calendar No. 2280 (H. R. 8361) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus for persons in custody pursuant to the judgment of a State court;

Calendar No. 2282 (S. 337) to establish rules of interpretation governing questions of the effects of acts of Congress on State laws;

Calendar No. 2386 (S. 4091) to amend the act of August 9, 1955, relating to the regulation of fares for the transportation of schoolchildren in the District of Columbia;



*Reported by Committee on Public Works and passed Senate and House*

Bill No.	Title	Estimated cost
S. 497	Authorizing work on rivers and harbors for navigation, flood control, etc.	Vetoed
S. Con. Res. 7	Print for committee certain data on the Arkansas, White-Red River Basins and water resources of New England-New York region.	Indefinite
H. R. 6701	Tennessee River Basin water pollution control compact.	0
H. R. 4142	City of Clinton Bridge Commission (H. R. 4142 passed in lieu of S. 1081 in Senate).	0
S. Con. Res. 68	Acceleration of civil construction programs for which appropriations have been made.	0
S. 4021	To establish study commission on certain river basins.	Indefinite
S. 4266	Establishing U. S. Study Commission on Neches, Trinity, Brazos, Colorado, etc., River Basins.	Indefinite
H. R. 12216	Naming Cordell Hull Dam and Reservoir.	0
H. R. 12808	Amend Federal-Aid Highway Act of 1958.	0
H. R. 8160	Tensaw River, Ala.	\$20,000
H. R. 13342	Parish Line Canal, La.	15,000
H. R. 11697	New York Harbor and Hampton Roads Harbor, prevention of harmful deposits.	300,000
H. R. 13500	Disposal of federally owned property of the Hanson Co. and Houma Canals, La.	0
H. R. 12776	Codifying and enacting into law title 23 of the United States Code, entitled "Highways".	0
H. R. 8652	Rescind authorization for Waldo Lake tunnel.	0
H. R. 12883	Capitol Power Plant improvements.	6,550,000
H. J. Res. 654	Recommendations for reimbursement to States for certain highways on the Interstate System.	Indefinite
S. 3776	To extend time for collection of tolls to amortize cost including reasonable interest and financing cost of construction of bridge across Missouri River, Miami, Mo.	0
S. 3335	National Capital Center of Performing Arts.	Indefinite
S. 3712	Rama Road in Nicaragua.	4,000,000
S. 1985	National Air Museum.	Indefinite

*Reported by committees and passed Senate*

Bill No.	Title	Estimated cost
S. Res. 34	Additional help for Committee on Public Works.	Indefinite
S. J. Res. 50	Relocation of Ferry County, Wash., highway by Department of the Interior.	\$10,000
S. 1869	Amend Tennessee Valley Authority Act of 1933.	0
S. 2117	Direct Secretary of Army to transfer certain buildings to Crow Creek Sioux Indian Tribe.	6,000
S. 2228	Amend sec. 5 of Flood Control Act of 1941.	0
S. 2261	Amend Public Buildings Purchase Contract Act of 1954 and Post Office Department Property Act of 1954.	Indefinite
S. Res. 148	Prescribe procedures and contents for reports to Senate by executive agencies (land and water resources).	Indefinite
S. Res. 213	Additional help for Committee on Public Works.	Indefinite
S. Res. 248	Investigate relationships of river and related water-resource development programs.	0
S. 3524	McAlpine locks and dam (name designation).	0
S. 3571	Provide for equal treatment of all State-owned hydroelectric projects with respect to taking over of such projects by United States.	0
S. 3975	Fireproof annex building for Government Printing Office.	0
S. 4179	Tahchevah Creek project California.	1,658,000
S. 4192	Trinity River, Tex.	6,992,000
H. R. 11456	Authorizing exchange of certain real property to the city of El Paso, Tex.	0
S. J. Res. 179	Designating lake formed by Dickinson Dam on Heart River in North Dakota as the Edward Arthur Patterson Lake.	0

#### TRIBUTES TO SENATOR FLANDERS

Mr. CASE of South Dakota. Mr. President, I desire to say a few words in appreciation of the services of the junior Senator from Vermont [Mr. FLANDERS]. Senator FLANDERS has announced that he is retiring from the Senate at the conclusion of this term.

It has been my privilege to serve with Senator FLANDERS on the Committee on Armed Services. I have been with him on some of the trips when we visited missile-development plants. Until I was with him at some of the informal briefings which were held at those plants, I never realized the wealth of imagination and the understanding of intricate scientific developments and engineering problems that the Senator from Vermont has.

I had known that in our questioning of representatives of the Defense Department, he had always shown a great alertness to problems of that nature. But until one sees him in action on one of these inspection trips, one does not fully realize the capacity of this man.

We shall miss Senator FLANDERS in the committee. The whole Nation will miss his valiant service on the committee, and also his dedicated service as a Member of the Senate as a whole.

I know it is a matter of regret to all of us that in these closing days of the session, Senator FLANDERS has been obliged to be absent, due to the illness of his wife.

To Senator FLANDERS and to Mrs. Flanders, I desire to express my affection, and

my hopes that Mrs. Flanders may soon be restored to health, and that they may enjoy together the rest and release from daily duties which will come with the adjournment of the session.

Mr. WILEY. Mr. President, I am very happy to have this opportunity to join in the tribute to Senator FLANDERS.

During the years of his service, Senator FLANDERS has been a good friend. He is of a philosophical turn of mind, although in the past he has been a very successful businessman. He and his dear wife have been very close friends of practically every Member of the Senate. I have enjoyed his discourses, although I have not agreed with him at times. As I have said before, that again is the privilege of being an American. We can be friendly, even though we may not go to the same church or may not have the same political or economic philosophy. With Senator FLANDERS, at least, I feel I can say he is a man of integrity, a man of ability, a man of fine Christian ideals. So we wish him and his dear wife many more years of health and happiness.

#### DIVERSION OF WATER FROM LAKE MICHIGAN

Mr. WILEY. Mr. President, I wish to submit some thoughts on House bill 2, which contemplates the diversion of water from Lake Michigan into the Illinois Waterway.

First. The bill provides that the Metropolitan Sanitary District of Greater

Chicago increase by 1,000 cubic feet per second its take from Lake Michigan. It want to be able in dry weather to take a flow of 5,000 cubic feet per second and, in wet weather, take nothing.

Second. There is pending in the Supreme Court an action in relation to requiring the sanitary district to return the domestic pumpage to the lake. This bill would do away with the issue before the Court.

Third. The lake level is down 7 feet now. When you realize that water had been continuously taken and none given by Chicago, this dangerous lowering of the lakes—impairing cargo-transporting capacity—clearly shows the necessity for no more diversion.

Fourth. This is, in effect, a bill to subsidize Chicago's disposal of sewage by authorizing it to drain away water to another watershed. The precedent of this bill would be followed by other lake cities until the Great Lakes no longer would be the wonderful waterway we planned and spent millions to improve.

Fifth. The bill is not required in the slightest for navigation purposes. There will be no necessity again for an order such as the United States Supreme Court's justifiable temporary order which permitted the emergency diversion in 1956. Congress is appropriating funds for building a reservoir dam for storage on the Mississippi River.

Sixth. The Congress should not condone the action of the Department of State in attempting to pressure one of our greatest friends—Canada—to with-



hold opposition from legislation injurious to our good neighbor. I am particularly distressed that the Department of State would do such a thing on behalf of a special interest in a particular State. The Department of State referred the Canadians to a past favor and then arbitrarily asked that the Canadian Government refrain from interposing objection to H. R. 2. This is like holding a gun at the head of a friend.

Nevertheless, Canada has expressed its objection, but in the most diplomatic and polite form. It has gone easy in expressing its objection, but it was objecting, nevertheless. A reading of the Canadian Aide-Memoire of January 6, 1958 makes that clear.

Seventh. In its closing hours, the Senate should not be diverted from pressing national and international problems to debate Chicago's sewage problem. That is Illinois' own State and local problem which I am sure it can solve as other States and cities have done, if they will spend enough of local tax income to do so. The waters of the Great Lakes—liquid gold to the bordering communities, States, and sections—is their precious joint possession.

Eighth. Chicago's problem is not a navigation problem, such as Congress is authorized and accustomed to handle.

The bill would still authorize a 3-year diversion. The Senate Public Works Committee did not amend it to conform to the 1-year diversion which the testimony of Chicago witnesses stated would be sufficient. Therefore, he urged that the bill be tabled or returned to committee for amendment.

#### MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. CASE of South Dakota. Mr. President, may I be recognized, or does the Senator from Texas have the floor?

The PRESIDING OFFICER (Mr. CLARK in the chair). The present occupant of the chair, having just taken the chair, is informed that the Senator from Texas has the floor.

Mr. CASE of South Dakota. I want to direct the attention of the chairman of the Appropriations Committee to a particular part of the bill, to which I may wish to make a point of order.

Mr. JOHNSON of Texas. Mr. President, I yield for that purpose, with the understanding that I do not lose the floor.

Mr. CASE of South Dakota. Section 108, which appears on page 7 of the bill, reads:

Not to exceed 50 percent of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: *Provided*, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives.

It occurs to me that on its face that is legislation in an appropriation bill. I would be inclined to make a point of order against it. I wondered what was the reason for the Appropriations Committee's concluding that the paragraph should be placed in the bill.

Mr. HAYDEN. There is not any question that it is legislation. We thought it was advantageous for us to use foreign currencies where we have them, rather than American dollars.

Mr. CASE of South Dakota. Would those funds be used for the same purposes that appropriated dollars would be used for?

Mr. HAYDEN. Yes.

Mr. CASE of South Dakota. That seems desirable. What I feared was that it might provide for some new expenditures which would be beyond the control of Congress.

Mr. HAYDEN. That was not the understanding at all. The purpose simply was that where we had foreign currencies available in a certain country funds could be used for assistance to that country.

Mr. CASE of South Dakota. It has been generally my feeling that we ought to tighten the use of foreign currencies. We do not count them as dollars in our computations, because they are not now taken directly out of the Treasury; but I have a feeling there should be a full-fledged review of the amounts of the foreign currencies, and that Congress should more directly watch them. In fact, in a previous bill I proposed that those currencies be placed in the Treasury, and that the currencies be appropriated from the Treasury, as we appropriate dollars.

Mr. HAYDEN. I have a statement I can place in the RECORD with regard to the matter. The statement relates to currencies in Austria, Belgium, Germany, Italy, and Yugoslavia where assistance will be authorized under the amendment. I shall read from the part of the statement which pertains to Yugoslavia:

Since by mutual agreement Yugoslavia is no longer receiving military assistance or defense support aid, it is not now desired to use available balances of Yugoslavian local currency, which were generated by defense support appropriations, in furtherance of military objectives. Under the proposed amendment, the dinars would be used for mutually agreed upon economic development unconnected with military objectives but within the purposes of the Mutual Security program. It would be in the best interests of the United States that these dinars do not remain unused but that they be used in directions favorable to United States policies.

Mr. CASE of South Dakota. I agree with every word the Senator has said. I think what is done is desirable. I think it is desirable that the Yugoslav dinars which are "on ice," so to speak, and not being used, be utilized for purposes that would advance the policies of the United States.

Mr. HAYDEN. That is the distinct understanding we have with respect to all these currencies.

Mr. CASE of South Dakota. In general, would these foreign currencies be

used to save dollars, or would they represent an increase or an augmentation of an appropriation?

Mr. HAYDEN. After listening to the testimony before the committee, my understanding was that the currencies would be used instead of dollars. Otherwise, if we wanted to get things done, if we did not utilize the foreign currencies, we would be asked to use our own money.

Mr. CASE of South Dakota. With that explanation, I shall not make a point of order; but I will be interested in examining the quarterly reports provided for in that paragraph of the bill.

Mr. HAYDEN. We thought it was highly desirable to have quarterly reports provided, so there would not be long lapses in providing Congress with information as to what was being done.

Mr. CASE of South Dakota. I trust the staff of the Appropriations Committee will examine the reports as they come in, and keep the members of the Appropriations Committee, as well as Members of the Senate, advised if something seems to be wasteful or profligate.

Mr. HAYDEN. The staff will be glad to inform Senators.

Mr. JOHNSON of Texas. Mr. President, I yield the floor so my friend from Louisiana may be recognized.

The PRESIDING OFFICER. The Chair recognizes the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, before I go into a discussion of the pending bill, I must say it seems almost incredible to me that the Senate, in the dying hours of this session, should consider, in a matter of hours, this most important bill. I would like to point out to Senators that this measure would saddle every man, woman, and child in this Nation of ours with a burden of a little over \$20.

The bill, if adopted as presented by the Senate Appropriations Committee, will entail the expenditure of over \$3½ billion. That huge sum, Mr. President, would be sufficient to cover complete costs, of almost one-half of all the Corps of Engineers public works projects which this Congress has authorized in the last 40 years.

Senators will know the difficulties which confront us in our attempts to obtain sufficient funds to carry on public works which are vital to the stability and economy of our Nation. Senators know the difficulty we encounter in having the Bureau of the Budget provide sufficient funds to take care of worthy reclamation, flood control, and navigation projects—projects, Mr. President, the neglect of which will doubtless weaken our economy as long as they remain unfinished.

I have been advocating ever since I have been a Member of the Senate, for the past 22 years, that we spend an amount sufficient to preserve our precious natural resources, topsoil, and water. Yet in the space of less than 12 hours, if the Congress adjourns as is proposed, there will be an expenditure authorized of a sum which would complete. I repeat, of half the authorized



public works projects which have been approved by Congress in the last 40 years.

No opposition to passage of this giant foreign giveaway program is put forward from the administration. But when the matter of expenditures to protect and preserve our own national resources is under consideration, there is much hullabaloo raised.

Mr. President, for several years I have endeavored to prevail upon the Congress to restore a rule of reason in the expenditure of public funds, particularly in respect to our foreign-aid programs under their various forms and names.

I respectfully refer Senators to Senate Document No. 78 of the 85th Congress, 2d session, for a short history of these programs.

I have spent considerable time during each congressional recess visiting countries all over the world in an effort to learn firsthand how these programs have worked and how they have affected our foreign policy. During the past 3 years I have advocated a comprehensive review and revision of our foreign policy, particularly as it has been guided by our many aid programs.

In this connection, I am pleased to see that President Eisenhower himself has called for a new look at our foreign-aid program.

In his recent speech before the United Nations, the President mentioned the possibility of creating a loan fund, which would be used to help the Arab countries help themselves.

As I have reminded Senators many times in the past, this basic program of making loans—not grants—to nations to help them help themselves was the original basis of the Marshall plan.

Yet, we all know how far afield of this original concept the Marshall plan has strayed.

Therefore, while I applaud President Eisenhower in his move to find some new approach with which we can solve the pressing Middle East problem, I am still somewhat suspicious.

Ringier statements from the podium of the United Nations are one thing. Actual accomplishments along this line are another.

I will want to take a long, hard look at such a program to make sure that none of our dreamy-eyed planners of the State Department who believe that the more money we give away, the more friends we will have, ever have the slightest opportunity to get their giveaway hands on this program.

I, personally, would like to see the loans secured by revenues of these countries to whom we extend the loans. I think it would be good business if sizable loans to Middle East countries, for instance, could be secured by the oil revenues of those countries.

In other words, I would not object to seeing Uncle Sam take the role of banker. But I do oppose him being a sucker.

I should also like to see that such a program would be carried out on a completely businesslike approach, and that for every American dollar we loan we ultimately will be returned other American dollars—and not the currency of the

country receiving the loan, which too often is subject to suspicious fluctuations in value.

I also note that President Eisenhower has suggested that this Arab development fund be open to all nations to contribute. Before I make up my mind on such a program I would like the answer to this question:

Is this to be another United Nations Relief and Rehabilitation Administration, into which the United States puts the vast majority of the funds, but the Soviet Union takes all the credit?

I remind Senators that of the \$3.66 billion spent by UNRRA to aid the war-ravaged peoples of Europe, the United Kingdom and the United States contributed a total of 97 percent. Yet, as we all remember, the Soviet Union took the opportunity to claim credit for furnishing this aid to the peoples of Eastern Europe.

If the United States is to put up the money, then in my judgment any such program should be administered by this country and subject to the review of the Congress.

Today, as the Senate once again debates foreign aid appropriations, I believe it is important that we remember these things. In addition, I believe it is important that we preface our action here today with sober consideration of what the now-called mutual security program, the successor of a series of such programs, has accomplished, where it has failed, and where its defects lie.

Our country cannot afford, either economically, or strategically, to continue the pursuit of outmoded and unworkable policies—particularly in this day and time when militant world communism perches like a vulture on the ramparts of despotism and awaits the opportunity to feed and grow fat upon our mistakes.

Unfortunately, our foreign policies thus far have supplied a varied and nourishing diet for Communist ambitions. Our mistakes have been too many; our shortcomings have been too obvious. The men in the Kremlin have scored victory after victory, particularly in the propaganda field, and they threaten to score more—victories which, I respectfully submit, have been more or less handed to our cold war opponents on a silver platter.

The issue before the Senate today, as it has been for the past several years, is simple, yet basic: will we continue to lend our endorsement and support to an unimaginative and unrealistic foreign policy based almost solely upon dollar disbursements, or shall we attempt to restore America's prestige and regain freedom's leadership in the cold war?

That, bluntly speaking, is the decision the Senate faces today.

Thus, the Senate now has an opportunity to place itself on record as opposing dollar diplomacy as the basic tool of American foreign policy.

We have the solemn duty of serving notice on the President, charged under the Constitution with guiding our Nation in foreign policy matters, that as he calls for a new concept of foreign aid

to the Middle East so must he call for the same new look all over the world.

Under these circumstances, Mr. President, I would be unfaithful to the trust reposed in me by the people of my State, if I blindly acquiesced in the pleas that this bill be approved without change. I would be derelict in my responsibilities if I, in effect, gave another vote of confidence to a policy which events abundantly show has failed, and failed miserably.

In evaluating the failure of foreign aid, Mr. President, it is first necessary for us to see and understand how the present program began, how it has grown, and what it now embraces.

Nineteen hundred and forty-seven was a fateful year in our history. The wartime alliance between the Soviet Union and the Western Allies had fallen apart. The expansionist desires of the Communist system were forcing the West into an untenable position.

Wisely, I believe, the decision was made that Western Europe must be preserved for freedom. Following that decision, the Congress—after considerable study—overwhelmingly endorsed the Marshall plan.

The first official statement of what was to become the Marshall plan was made on May 8, 1947, by then Under Secretary of State Dean Acheson, substituting for President Truman as a speaker before the Delta Council at Cleveland, Miss.

He outlined a five-point program implementing American international political and economic policies. He mentioned the relief and reconstruction measures already undertaken by the United States and he added:

As great as is our supply of commodities and service to the world during the current year, it is still far short of what the people of the world need if they are to eat enough to maintain their physical strength and at the same time carry on essential measures of reconstruction and become self-supporting.

But it remained until June 5, 1947, for Secretary of State George Marshall, speaking at commencement exercises at Harvard University, to outline the ideals which would develop into the plan that was to bear his name.

In discussing the plight that a war-ravaged Europe found itself on that spring day, Marshall said:

It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine, but against hunger, poverty, desperation and chaos.

Its purpose should be the revival of a working economy in the world so as to permit the emergency of political and social conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

Marshall continued—

It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place



Europe on its feet economically. This is the business of the Europeans. The initiative, I think, must come from Europe.

Thus was born the American concept of the Marshall plan—that the United States would be willing to aid any nation if that nation shows that it desires to help itself.

This, I respectfully submit, is the same concept that President Eisenhower has endorsed in his speech before the United Nations. It now appears, Mr. President, that we have run the full circle. Our noble objectives of the late 1940's, after having been strewn in wasteful amounts all over the world, have now come home again. Let us also hope that sanity is also coming home again.

President Eisenhower in his United Nations speech also returned to another concept of the original Marshall plan—the inherent American dislike of becoming involved in another nation's internal affairs.

President Eisenhower said, and I quote:

I hope it is clear that I am not suggesting a position of leadership for my own country in the work of creating such an institution (for development of the Arab countries). If this institution is to be a success, the function of leadership must belong to the Arab states themselves.

General Marshall, in a statement before a joint session of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs more than 11 years prior to President Eisenhower's statement, likewise pointed out:

Loans should be made to cover imports of capital equipment and raw materials which will directly produce the means of repayment and where such repayment can reasonably be expected.

At the same time, every encouragement should be given to early initiation of private financing so as to eliminate as far as possible the necessity for direct assistance from the United States Government. \* \* \* It is obvious that the basic responsibility for European recovery rests on the European countries themselves. However, this Government must have assurance that the aid it provides is effectively utilized for the achievement of European recovery as rapidly as possible.

Following Secretary Marshall's speech at Harvard, the Foreign Secretaries of Britain and France opened talks in Paris dealing with raw materials, tariffs, currency, and priorities of aid. The meeting was broken off in order to invite Russian Foreign Secretary Molotov.

A Big Three meeting was set for June 23, at which Molotov opened Russian opposition to the United States plan, and Russia vetoed any concerted action by the three Foreign Ministers.

As a consequence, Foreign Secretaries Bevan of England and Bidault of France issued a joint communique inviting 22 additional European nations to meet in Paris on July 12 to consider a recovery plan.

When the meeting opened, 16 nations were represented—Austria, Belgium, Denmark, France, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey, and the United Kingdom.

The Conference created a general overall committee, known as Committee for European Economic Cooperation (CEEC), which later would be expanded to the Organization for European Economic Cooperation (OEEC), which on September 22, submitted its recovery plan to the United States.

The 16 participating nations, keeping in mind the then dominant thought in American foreign-aid policy that only nations that helped themselves would be granted aid from this country, outlined production targets for a 4-year period, which was then considered as all the time necessary to reestablish the economic solidarity of Europe.

The report to the United States also listed proposed measures for coordinated action to achieve the production targets providing for a freer flow of goods and labor and a fuller use of their own resources.

The group estimated that Western Europe's dollar deficit—that amount of money they would need to purchase needed goods from the United States above and beyond their current capacity for purchase—would amount to some \$22 billion over the 4-year period.

This, then, was the amount of aid being requested by the CEEC, as the amount needed to put Europe back on its buying feet within a 4-year period.

In the meantime, a number of committees had been named, both by the President and by the House of Representatives, to study the concept of the United States furnishing aid in great quantities to Europe.

One report, named after its chairman, the Honorable W. Averell Harriman, discussed the principles under which aid could be given to the countries of Europe.

Some items from this report make interesting reading in the accumulated light of 10 years of giveaways since they were written:

We believe that the future of Western Europe lies very much in its own hands. \* \* \* Such aid being supplied from outside Europe must be viewed not as a means of supporting Europe, but as spark which can fire the engine.

The report also contains this item which, apparently, seems to have been forgotten:

For all its resources, the United States is no limitless cornucopia. The population of this country represents something less than 7 percent of the population of the world.

Nevertheless, the committee report recommended that the United States enter into a program of aid for Europe, and estimated that it would cost the United States approximately \$5.75 billion for the first year of a 4-year program as outlined by the report of the CEEC.

In addition, the Harriman Committee report said total cost for the program would be between \$12 billion and \$17 billion, depending upon a number of factors.

However, the committee report added:

But the committee cannot emphasize too strongly that any aid extended to Europe must be on a year-to-year basis. It must be subject to constant, vigilant review by Congress.

While the various committees, including those appointed by President Truman, as well as those of the Senate and House of Representatives, continued their studies of the possibility of a long-range aid to Europe plan, the Department of State, in cooperation with other agencies of the Government, began a review of the CEEC's report.

On the basis of all investigations, as well as the State Department's findings, President Truman presented his recommendations to the Congress for a long-range program of aid to Europe, by the United States for a period of approximately 4 years and a total cost of \$19 billion.

In April of 1948, the Congress passed the Economic Cooperation Act to furnish the means for covering essential import needs of the participating countries for commodities and equipment which could not be financed by their own efforts and to support the measures of self and mutual help on the part of the participating countries necessary to achieve true economic recovery.

At the outset, the Marshall plan envisioned the United States priming the pump of a gushing outpour of production which in turn would enable Europe to recover its economic stability. In addition, the Marshall plan originally envisioned the lending of money to aid European countries to get these factories back into production.

The United States was willing to foot this bill if it would bring back into proper balance one of the world's most important centers—Europe.

Mr. President, I say as I have said many times in the past, I have no regret for having voted for the original concept of the Marshall plan. I supported it, and I supported every item that was requested during the first 4 years of the program, in order to carry out the plan in its original form.

From this opening concept of the Marshall plan whereby the United States would furnish aid, it appears now that the United States has been saddled with the entire burden. In fact, in just 3 years' time, the Marshall plan itself was transformed from a helping hand to a heaping hand.

But the job had been done.

The report from the officials of the ERP at the end of 1950 pointed out:

The industrial production of Western Europe had by that time greatly exceeded prewar levels, and agricultural production had almost completely recovered from the damage of a world war.

The dollar deficit in the balance of payments of all the 18 countries participating in the recovery program had been reduced from \$7 billion in 1947 to less than \$2 billion in 1950.

Trade among the participating countries had more than doubled.

With the exception of only 3 nations—Italy, Belgium, and Germany—there was virtual full employment.

Rationing of almost all consumer items had been abolished and recourse to black market for the necessities of life had been virtually eliminated.

In addition, we found that the Organization for European Economic Cooperation was providing the general di-



rection to the recovery program on a new basis of cooperation. A new economic union was being forged between Belgium, the Netherlands, and Luxembourg which would shortly show the way for even greater union and dissolution of trade barriers.

At this time the plan was, indeed, working in Europe. This, probably, was America's high point. Waste, no doubt there was, but the United States had accomplished its aim—to reestablish a tottering European economy upon solid legs of trade and credit.

Yet, America then seemed hypnotized by the sound and sight of its own success. The panacea of a good dosing of American dollars had worked wonders upon the feeble, almost infirm body of Europe.

So, the next move, naturally, was to try this wonder drug—dollar diplomacy—upon the rest of the world.

As the emphasis of assistance changed, the volume of aid continued. War in Korea provided further excuses for more United States expenditures in that area. In addition, motivated by foreign policy expediencies, our Nation added other countries to the aid list.

The North Atlantic Treaty Organization was created, amid hullabaloo and fanfare. American troops were to remain in Europe, in order to provide a small, but important, part of a vaunted shield against aggression to blunt and repel any armed attack from the East.

Reinforced by token forces from other United Nations member-countries, American troops in Korea fought the hordes of Red China to a standstill, after completely destroying what had been a well-armed North Korean Army.

During the early 1950's, America was concerned with many things—the bloody battlefields of Korea; the almost insatiable demands of Western Europe for more and ever more aid, and, finally, those potential trouble spots scattered about the globe where the State Department sought to preserve the status quo with foreign aid funds. Yet, while America's attention was concerned thusly, ominous events were taking place in other parts of the world.

There was war in Indochina.

There were constant threats of conflict in the Near East, where rising Arab nationalism was threatening an area vital to Western Europe's industry.

Algeria and all of North Africa threatened to burst into flames.

Latin America showed signs of dissatisfaction with a good neighbor policy which was by this time little more than a fancy name and without real substance.

Into this situation stepped a new national administration, elected on a platform which promised that the United States was to take the offensive in world affairs.

Chiang Kai-shek was to be unleashed. The 7th Fleet was to be removed from the Straits of Formosa.

Captive nations were to be encouraged to throw off the yoke of Communist domination.

Foreign policy was to be completely changed. The so-called policy of con-

tainment was to be discarded, and the Nation was promised a new, streamlined and effective foreign policy.

None of these promises have been fulfilled.

The Seventh Fleet was removed, but Chaing Kai-shek remains holed upon his island fortress, with one eye upon the mainland, and both hands in the American Treasury.

Poland and Hungary have been torn by revolution, but still remain under Communist bondage.

Foreign policy has not been changed or modified. We are still on the defensive. As a matter of fact, American prestige abroad has sunk to an all-time low, and we are finding difficulty mustering enough votes in the General Assembly of the United Nations to even maintain a semblance of world respect.

In brief, Mr. President, world leadership is quickly passing from our hands, by default.

Allies which should be standing at our sides, helping us carry the free world's burden, continue to free-load at our expense.

Neutral nations, which we have hoped to win over to the cause of freedom, openly pit the United States against the Soviet Union in order to make the most advantageous deal possible—in order to get as much assistance from both sides as they can.

In brief, Mr. President, despite vast and far-reaching changes in the world situation, we are continuing today to pursue a foreign policy originally devised over a decade ago. In addition, insofar as foreign aid is concerned, the original Marshall plan has been changed, expanded, and extended to practically every country in the world.

Foreign aid is being used as a poor substitute for a foreign policy. The United States has sought to cure with a flood of dollars festering wounds which require, instead, the soothing medication of understanding and reasonable assistance.

I do not intend to burden the Senate with a long and repetitive recitation of how and why our present policy has failed, and will continue to fail. The facts are abundantly available to all who desire to look and see for themselves.

Suffice it to say that evaluated even under the most charitable conditions, these facts demonstrate that adoption of the bill which is now pending before the Senate will do more to injure the United States than help us.

Foreign aid, as we now understand it, is the crutch which has supported this administration for too many years. I do not mean to say that this administration is without any variations on the foreign-aid theme.

One good example is the so-called Eisenhower doctrine, which was the first attempt at solution of the Middle East problems.

Instead of approaching the then impending crisis in the Middle East in a realistic manner by facing up to the basic issue involved, that is, the Arab-Israeli conflict, the administration has followed its usual pattern of instituting

a policy based, first, upon the use of dollars in an effort to soothe international ills, with the promise that if dollars failed to do the job, military force would be applied.

Events of recent weeks demonstrate the failure of dollar diplomacy in the Middle East. They also show clearly that the alternative—that is, the use of troops—is equally as devoid of concrete results.

We must remember that the motivating force in this troubled spot is Arab nationalism. If we fail to grasp the true significance of this movement, we will do nothing but further widen the chasm that now exists between us and the Arab people.

Mr. President, I warn Senators that the fiasco which confronts us in the Middle East as the result of our barren policy there threatens to grow and expand to other areas. The sorry patchwork of dollar bills which Secretary Dulles and President Eisenhower have pasted over each and every trouble spot in the world today threatens to fall apart. We will face many other crises as a result of these policies unless they are changed.

The Senate has before it a golden opportunity to serve notice on this administration, as well as on our so-called western European allies, that Uncle Sam is sick and tired of giving, giving, giving, and getting little in return. The time has come for us to serve notice on Western Europe that we are no longer going to be a soft touch. We have an opportunity to put the administration on notice that a second-rate policy based upon outmoded concepts, stereotyped ideas, and pious platitudes will no longer serve, despite the fancy pronouncements of high powered propagandists.

Is it too much, Mr. President, to urge Senators to look behind the sugar-coated generalities in which the foreign-aid program is clothed before voting on this bill? I do not believe it is.

Then, let us proceed to do so.

First, let us lay at rest the notion that the \$3.5 billion which this measure would appropriate will purchase us security, friendship, or respect.

Of the \$3.5 billion carried in the pending measure, approximately \$1.5 billion or more than one-third is for so-called military aid.

I know that many Senators have heard it proclaimed time and time again, that by providing these funds, the United States is increasing the defensive strength of the free world to such an extent that our own burdens are reduced. We are told, "reduce this amount, and we will have to increase draft calls."

This is downright asinine.

The record abundantly shows that we cannot depend upon the token armies we are creating in the many underdeveloped countries of the world for even token assistance in stamping out brushfire wars. As a matter of fact, one of the countries which we have helped considerably—Iraq—by the way, to the extent of \$50 million in military aid—only recently used the arms we have supplied to overthrow the Government we supported in



the past. A cornerstone of the Baghdad Pact has crumbled, and Uncle Sam has had to step in and pick up the pieces.

American troops are in Lebanon to forestall the possible success of an armed revolt there—a contingency, which, I might add, is not covered by the terms of the vaunted Eisenhower doctrine.

We have also been bombarded with the statement that for every \$1 the United States spends for foreign military aid, our European allies put up \$5.

That statement, Mr. President, is a fraud, pure and simple.

In order to attain that ratio the eager-beaver planners in the State Department and the International Cooperation Administration have totaled the defense budgets of all NATO countries, placed that total beside the military aid we are extending, and come up with grand and glorious, sacred and sanctified, ratio of 5 to 1.

Why does not the executive branch tell the whole story?

If the total defense expenditures of all European countries is to be the basis for calculating overall defense effort, then should not our total defense expenditure also be counted?

Of course it should.

But it is not.

Why?

Because if we count the \$40 billion per year we are spending upon domestic defense in computing the comparative ratio of spending by the United States and our allies, it becomes all too clear that the ratio cited by the executive branch mathematicians is cockeyed—the ratio shows that Uncle Sam is spending better than \$3 to each \$1 our so-called European allies are spending for defense. All the 5-to-1 ratio really means is that in addition to supporting our own military establishments, we are paying from 20 to as much as 40 percent of the military budgets of our so-called allies.

Mr. President, as I shall point out later in my remarks, the pending bill contains an item of more than \$300 million for countries of Western Europe that we have already nursed back to economic health, and which today enjoy a degree of prosperity far greater than they have ever enjoyed before. Yet in the pending bill we provide for further aid to them, and that aid would be in the form of borrowed dollars. Just think of it, Mr. President. On yesterday the Senate passed a bill to increase the debt limit by \$8 billion, in anticipation of a gross debt of \$288 billion. Thus we are going further into debt so that one can continue to give aid to countries that no longer actually need that aid.

The truth of the matter is, Mr. President, that the entire foreign-aid program has become huge, unwieldy, and submerged in pious and false propaganda. It is well-nigh impossible to obtain the true facts as to how this program operates, much less to disseminate them to the American people.

Mr. President, I have before me, and I also have in my desk, much data which I should like to reveal to the American people. But I am unable to do so, because the material is stamped "secret."

Mr. President, why should this data be stamped "secret?" It is stamped "secret" because the administration's policy is not to let one country know what another country receives. In other words, today our foreign aid is based not on need, but on which squeals the loudest, so to speak.

It makes my blood boil to see, for instance, that in addition to our own military research and development expenditures of about \$6.5 billion a year, the pending bill calls for the expenditure of \$40 million to defray nearly half of NATO's research and development program.

In the light of the huge amounts of money we have provided in the years past to Western Europe, would it be asking too much to suggest that our so-called allies there make their research available to us?

And there is the matter of facilities assistance, for which the sum of about \$20 million is carried in this bill. Facilities assistance, involves United States money to build, in Europe arms factories, to produce weapons for arming European troops.

Since Europe's recovery has been achieved, since Europe is financially sound, and economically strong, would it be asking too much of our friends there to request that they build their own factories to manufacture their own weapons of war? Of course if that were done, France could not sell as many automobiles in the United States as she has been, nor could the United Kingdom; but I doubt seriously that the unemployed automobile workers in Detroit would break into tears at that thought.

In addition to these amounts, there is in this bill a sizable item for offshore procurement. That sum, Mr. President, would be used to supply our NATO allies with weapons for which we have already paid part of the development costs, and which are to be manufactured in factories we have already helped to build.

Since NATO has already cut back tremendously on her troop strength, I do not think it would be asking too much to request our so-called partners to pay for their own arms. Of course, that might work some hardship upon the French troops who are using United States weapons in fighting Algerian nationalists. But I think it could be done.

And what about other parts of the world? What about the backward, struggling countries upon whom we impose the burden of large armies, equipped with already antiquated weapons—armies which, I submit, would be about as useful to us as though we created a popgun corps to defend the city of Washington against our own armed might.

The high-powered justifiers, who cry great crocodile tears before the Appropriations Committee, and who predict dire consequences unless every penny asked for is appropriated, throw up their hands and scream at the very thought of reducing aid to those countries. They say: "Senators, if you do that, who will take care of brush-fire wars?" The answer to that question is obvious. Brush-fire wars would be taken care of by the

same troops who are going to take care of them anyway—United States GI's and Marines. The Defense Department has already admitted that the token armies created in many countries are not capable of even slowing down, much less halting, any act of armed aggression.

That admission took the form of a special Army Corps, created only a few months ago, to deal with brush-fire wars. Senators may have read in the newspapers of the creation of the STRAC; if they have not, I ask unanimous consent that a newspaper article which describes that Army Corps be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of May 24, 1958]  
THE NEW ARMY CORPS—STRATEGIC FORCE BELIEVED DEFICIENT IN POWER TO WAGE A LIMITED WAR

(By Hanson W. Baldwin)

WASHINGTON, May 23.—The belated announcement this week of the organization of a Strategic Army Corps stems from weakness rather than strength.

The mission of STRAC, as announced officially, is to "meet the initial requirements of limited war or to provide initial reinforcements in a general war." Despite this ambitious goal, many senior Army officers agree that the Army's ability to fight a conventional war continues to be weakened as the Nation concentrates on space rockets and nuclear weapons.

The grouping of four Army divisions in STRAC into what the Department of Defense said was to be a "mobile combat ready force—operationally ready on a moment's notice"—represents a devout hope rather than an accomplished fact, in the opinion of experts.

The so-called corps has actually been in loose existence for 2 to 3 years. Its four divisions have been more tightly identified and tabbed in the last 3 months. Actually, the corps is largely a paper grouping—the assignment to a corps organization of divisions that have been in existence and that already had been earmarked as part of the Army's strategic reserve in the zone of the interior, the Continental United States.

#### THE DIVISIONS EARMARKED

Four divisions have been earmarked for STRAC; the 82d and 101st Airborne and the 1st and 4th Infantry Divisions. A corps headquarters, also long in existence—the XVIII Airborne Corps at Fort Bragg—has been designated as the command echelon.

Of the four divisions, only the 101st, which furnished the troops that were recently sent to the Caribbean, probably meets STRAC's mission of operationally ready on a moment's notice, and fulfills its slogan—"skilled, tough, ready around the clock."

Some senior officers contend that the 82d Airborne is also ready, but this division still contains a number of relatively green men. Two of its battle groups are scheduled to be rotated to Germany to be replaced by two battle groups now assigned to the 11th Airborne Division.

The other divisions in the corps have so many green men and—in common with the rest of the Army—experience so large a personnel turnover that they are engaged in a virtually continuous training cycle—particularly pronounced during the summer.

Experienced officers, therefore, regard very large elements of STRAC as more closely approximating training units, rather than combat-ready forces.



## THE STUMBLING BLOCKS

Several factors militate against the achievement of true combat readiness by STRAC. The first and most important is the present budgetary ceiling on Army manpower and dollars. Other stumbling blocks are the Army's extensive overseas commitments, which require units in this country to act largely as replacement training units for divisions overseas; the unending training cycle for inductees, volunteers, reserve personnel and Regulars and the legal obligation of the Army to induct large numbers of hard-to-train lowest-mental-category men.

The present difficulties may further increase when the Army's gyroscope operation—its program of rotating units to overseas duties—shifts fully from divisions, as the unit of rotation, to battle groups. This plan will break up tactical units that have trained together and have a common battle tradition—like the famous 1st Division—and will disperse some of their component parts to other parent units with a possible consequent impairment of unit pride and morale.

## PICTURE OF UNREADINESS

The STRAC divisions, like all the rest in the Army, have as yet limited and incomplete amounts of the new equipment designed to arm the new so-called pentomic or five-sided divisions. The pentomic divisions, designed to have an ability to fight either nuclear or nonnuclear battles, are as yet in a state of betwixt and between; they do not have sufficient new weapons to make them combat effective on a nuclear battlefield and yet their capability to fight conventional war has been severely reduced.

What makes this rather bleak picture of unreadiness worse is the limited amount of air transport and amphibious lift available to rush the nation's fire brigade to the site of threatened conflagrations.

Two airborne battle groups were alerted in Germany last week for possible service in the Middle East if requested by the Lebanese Government. But there were not enough

air transports in Germany to fly them there; the planes had to be flown from this country to Germany, with a consequent loss of time.

Similarly the Venezuela riots against Vice President RICHARD M. NIXON revealed the dangerous extent to which the Army had been stripped down in the Caribbean-Panama area.

## A PAPER CORPS

Today, there is only one infantry battle group in the Canal Zone, and some military men fear that United States garrison forces in the zone have been thinned down to such an extent that the canal could not be protected effectively against local riots or dangers. Yet quick reinforcement of the Caribbean area by major forces of divisional size or larger would be possibly only if all presently available military air transport facilities were earmarked solely for this task at the expense of other vital jobs.

Thus STRAC today is more a paper corps that demonstrates the Army's interest in the problem of limited war than a really ready force. The public announcement this week of a force that has long been in existence unfortunately adds nothing to the combat readiness of the Nation.

Mr. ELLENDER. Remember, Mr. President, that article refers to the creation of a United States armed force, which will have the special duty of fighting brush-fire wars. However, let us also remember that the main justification advanced by the administration for the expenditure of the military assistance funds in this bill is to create armies in those countries which would take care of such situations.

In other words, Mr. President, even our military leaders have recognized the futility of trying to equip popgun armies in small and backward countries to a point where those forces could be of any use in turning back an act of armed aggression.

During the recent hearings on our unprecedented peacetime budget for our armed services, the Senate Appropriations Committee got almost complete details about this new striking force.

I do not mean to say there is not room in our foreign-aid plans for a modest program of military assistance designed to make it possible for countries which are desirous of doing so to protect themselves against internal subversion. On the contrary, that would be a laudable objective.

It would not, however, require the expenditure of \$1.5 billion a year, nor would it involve fastening an unbearable military burden upon the economies of young and struggling nations.

Actually, Mr. President, there is no need for all the military-aid money carried in this bill, despite the cries of anguish which arise from the executive branch when efforts are made to reduce those funds. The record shows that since 1950, approximately 10 percent of the funds appropriated by Congress for military assistance has either lapsed or been transferred to other appropriations. This, of itself, should demonstrate that, despite consistent reductions in aid funds below budget requests, the Congress has, on the whole, still been giving the foreign-aid administrators more money than they could use.

I refer Senators to page 100 of the hearings now on their desks, where there appears a table which shows the transfers out of military assistance appropriations, fiscal year 1950-57. I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Detail of transfers out of military assistance appropriations, fiscal years 1950-57

[In millions]

Year	Amount transferred	Country or program	Transferred to—	Authority	Amount lapsed and returned to Treasury
Fiscal year 1952	\$300.0	United Kingdom	Economic and technical assistance, Europe, sec. 101 (a) (2).	Sec. 101 (b) Public Law 165 (82d) as amended.	
	100.0	France	do	do	
	78.2	Greece, Turkey, and Yugoslavia.	do	do	
Total	478.2				
Fiscal year 1953	125.0	France, Yugoslavia, and Berlin.	Economic and technical assistance, Europe, sec. 101 (a) (2).	Sec. 101 (b) Public Law 165 (82d) as amended.	\$116.2
Fiscal year 1954	75.0	Coal-steel Community loan.	Mutual defense financing, sec. 101 (a) (2).	do	318.7
Fiscal year 1955	20.0	Egypt	Development assistance, Near East area, sec. 201 (a) (1).	Sec. 501, Public Law 665 (83d)	175.5
	20.0	Iran	do	do	
	35.9	Pakistan	Defense support, Near East area and South Asia, sec. 131 (b) (2).	do	
	1.3	Guatemala	Development assistance, Latin America, sec. 201 (a) (3).	do	
	.7	Haiti	do	do	
	15.5	Italy	Defense support, Europe, sec. 131 (b) (1).	do	
	4.8	Yugoslavia	do	do	
	15.5	Spain	do	do	
	1.2	East Europe—Danube food relief.	do	do	
	261.3	Indochina (unliquidated obligations).	Southeast Asia and Western Pacific, sec. 121.	Sec. 121, Public Law 665 (83d)	
Total	376.2				
Fiscal year 1956	6.0	Pakistan	Defense support, Asia, sec. 131 (c) (3).	Sec. 501, Public Law 665.	14.0
Fiscal year 1957	.0				14.2
Transfers	1,060.4				638.6
Add return to Treasury.	638.6				
Grand total	1,699.0				



Mr. ELLENDER. Mr. President, I wish to say that the pending amendment, which I have submitted and sent to the desk, would cut \$100 million from the over \$1½ billion recommended for military assistance by both the House and the Senate committees.

The pipeline for military-assistance appropriation at the beginning of the fiscal year 1959 will carry the program for a little more than a 2-year period, based on expenditures of \$2.2 billion.

Consider these figures, Mr. President:

[In billions]

Unexpended balance July 1, 1958----	\$3.359
House allowance-----	1.515
Total -----	4.874

At this point, it might be appropriate for me to discuss what our striped-pants administrators have named "defense support."

Mr. President, somehow, somewhere, someone got the idea that defense support has something to do with our own defense. It has become more or less a sacred cow.

Let us take a look at some of the projects which have been undertaken with defense support money, and let us see just how closely tied to defense these projects really are.

I hold in my hand Senate Document 31, 85th Congress, 1st session, entitled, "Report on Overseas Operations of the United States Government." The document contains examples of foreign aid defense support expenditures. These are not my own data. They were obtained from ICA records during one of my many investigations of the program conducted in Korea.

Transportation branch. Project title: Rehabilitation of Seoul and Pusan streetcar system.

The amount expended during the year I visited there was almost \$200,000.

This is defense-support money.

I read another example of defense support:

Transportation branch. Project title: Procurement of coal tar pitch.

Benefits: Coal tar pitch and petroleum coke on this project will be used in production of coal briquets for the KNR, utilizing coal production in Korea.

Not only have we rehabilitated the railroads in Korea, and not only have we rehabilitated all of the steam-generating plants that produce electricity for the use of the people on that peninsula, but we have also spent millions of dollars for rebuilding dams to generate electricity from falling water, under the guise of defense support. We are today in the process of expending a good part of \$42 million for the erection of a single dam in the northern part of South Korea.

The same comment applies to Formosa. One could almost jump across that little island. Yet our Government is spending millions of dollars, in the name of defense support, to construct and erect projects which are used, not to furnish electricity for the military, not to assist soldiers, but to generate electricity so that the Chinese Government can sell the power to the inhabitants of Taiwan. All of these projects

are justified in the name of defense support. I say defense support is just another name for economic aid, and the facts bear me out.

One would imagine, Mr. President, that since Formosa and South Korea have both increased their food and industrial production tremendously, compared to a few years ago, that United States aid would be decreasing.

We are not curtailing assistance to those countries. We are increasing it. There seems to be no end to this giveaway program. There will be no end to it if we continue simply to follow the advice of the horde of job holders this Government has all over the world—those who are administering this giveaway program—those who are its staunchest advocates and principal exponents.

Let me point out, Mr. President, that Congress does not depend upon the recipient country to make an adequate justification so that it might receive aid. Instead it depends upon the advice of Americans who are serving as paid administrators of the programs in various countries. If the countries we assist cannot make an adequate case for aid then they turn to these jobholders, who receive handsome salaries and who are supposed to represent America, to make the case for them.

I could go on and cite many examples of out and out economic aid being given in the defense support, just so these jobholders can keep their comfortable and well-paid positions.

Let me turn now to some of the public works projects.

Here is an item, "Rehabilitation of Suwon National Prison, fiscal year 1955. Building construction and equipment."

We are building jails under the guise of defense support. I would like to point out to Senators that I visited a tire plant built under the defense-support program in Korea, built under the defense-support program. It is being operated by a person who obtained it for a price of little or nothing. Yet in the name of defense support, the American taxpayers are now furnishing the money for its operation. The justification furnished the Senate Appropriation Committee are the magic words "defense support" for the ROK army in South Korea.

All of this money listed in defense support for South Korea has been used and is being used to rehabilitate that country. It is not part of a defense program. It is purely economic aid.

I turn to another example under the heading "Manufacturing and Processing." We have spent money to build four flour mills in Korea. It sounds ridiculous, but it is true. There is little wheat produced in Korea. As a matter of fact, the South Koreans are generally rice eaters. They live mostly on a diet of rice and fish and have done so for centuries.

What was the justification for the four flour mills? The aid was given in the name of defense support, and was justified by ICA spokesmen on the basis that South Koreans could be taught to eat bread, and this would enable them to export their rice.

Can anyone imagine United States officials supporting such a program, much less conceiving it, when in this country we are presently producing 40 percent more rice than we need and must export it to the Far East? Yet we are assisting a country, in the name of defense support, to become an economic competitor in the exporting of rice. In addition, we have built flour mills in Korea, when little or no wheat is produced in that country.

Mr. President, I note another defense support item—book publishing. This is something else we have undertaken in the name of defense support. Perhaps it is a necessary program, but I make the point that defense support, as the people of this country understand it, is assistance to soldiers—to clothe them, to feed them, and to arm them. Yet we find that defense support funds are not used for that purpose. This money is used to develop the economies of the various foreign countries on our aid list.

I do not want to take the time of the Senate to list all of these programs, but I ask unanimous consent to have printed in the RECORD at this point some examples of how the money is being used—not to maintain armies, as some American people believe—not to sustain an Army of 20 or 30 divisions—but to aid the economies of foreign nations.

There being no objection, the illustrations were ordered to be printed in the RECORD, as follows:

#### TRANSPORTATION BRANCH

1. Project title: Rehabilitation of Seoul and Pusan streetcar system (rectifiers). Type: Transportation. Location: Seoul and Pusan.

2. Benefits: Provides 2 new rectifiers 1 each for Seoul and Pusan streetcar systems. This will replace one war damaged rectifier in Seoul and provide an additional rectifier for Pusan to allow for extension of the street railway system in this overcrowded city.

3. Estimated total cost: \$210,000.

4. United States contribution in percent: 85 percent; fiscal year 1955, dollar, \$178,500.

5. Local contribution in percent: 15 percent, fiscal year 1955, cash contribution, \$31,500.

6. Engineering costs: \$2,000 (local) (included in local labor costs).

7. Status: PA issued. Bids received and evaluated. Contract will be concluded by OSROK in near future.

8. Estimated completion date: July 31, 1956.

#### PUBLIC WORKS

1. Project title: Rehabilitation of Suwon National Prison, fiscal year 1955. Type: Building construction and equipment. Location: Suwon, Korea.

2. Benefits: Provides quarters for 800 additional inmates, utilities, mess, and shops for personnel rehabilitation through vocational training.

3. Estimated total cost: \$1,350,000.

4. United States contribution: 68.55 percent, fiscal year 1955, (a) dollar, \$300,000; (b) counterpart, \$625,000.

5. Local contribution: 31.45 percent, fiscal year 1955, (a) labor, \$117,000; (b) domestic materials, \$308,000.

6. Engineering costs: \$13,500, included in local labor costs.

7. Status: Preliminary drawings completed. Invitations are being sent out to bidders.

8. Estimated completion date: December 1957.



## MANUFACTURING AND PROCESSING

1. Project title: Auto tire plant. Type: Manufacture of rubber tires and tubes. Location: Pusan, Korea.

2. Benefits: Rubber tires and tubes are essential to the operation of civilian and military motor vehicles in Korea. The production of such commodities in Korea will save considerable foreign exchange and will thus contribute to the establishment of an economy of self-support.

3. Estimated total cost: \$635,000 (estimate).

## MANUFACTURING AND PROCESSING

1. Project title: Flour mill No. 1. Type: Food processing. Location: Pusan, Korea.

2. Benefits: Expansion of flour milling facilities in South Korea enables Korea to take advantage of a differential price in wheat as compared to rice. It also accelerates a desirable trend away from such a great reliance on rice. Substitution of wheat for rice in the diet makes for a better use of Korean uplands where wheat may be grown to greater advantage than rice. This resulting expansion of agricultural output as well as the use of foreign wheat makes additional rice available for export. The milling industry thus makes a considerable contribution to the establishment of a self-supporting economy in Korea.

3. Estimated total cost: \$765,000 (estimate).

4. United States contribution in percent: 85 percent:

	Fiscal year 1955	Fiscal year 1956
(a) Dollar.....	\$280,000	
(b) Counterpart.....		\$250,000

5. Local contribution in percent: 15 percent:

	Fiscal year 1955	Fiscal year 1956
Amount.....	\$70,000	\$45,000

6. Engineering costs: None. (See remarks.)

7. Status: Under construction.

8. Estimated completion date: May 1956. Remarks: The project made no separate provision for engineering expenses. Any required engineering on the purchased equipment was included in the purchase price. The end user is responsible for all local engineering.

## MANUFACTURING AND PROCESSING

1. Project title: Flour mill No. 2. Type: Food processing. Location: Seoul, Korea.

2. Benefits: Expansion of flour milling facilities in South Korea enables Korea to take advantage of a differential price in wheat as compared to rice. It also accelerates a desirable trend away from such a great reliance on rice. Substitution of wheat for rice in the diet makes for a better use of Korean uplands where wheat may be grown to greater advantage than rice. This resulting expansion of agricultural output as well as the use of foreign wheat makes additional rice available for export. The milling industry thus makes a considerable contribution to the establishment of a self-supporting economy in Korea.

3. Estimated total cost: \$270,000 (estimate).

4. United States contribution in percent, 63 percent:

	Fiscal year 1955	Fiscal year 1956
(a) Dollar.....	\$120,000	
(b) Counterpart.....		\$50,000

5. Local contribution in percent, 37 percent:

	Fiscal year 1955	Fiscal year 1956
Amount.....	\$80,000	\$20,000

## MANUFACTURING AND PROCESSING

1. Project title: Haptong book printing plant. Type: Book publishing. Location: Seoul, Korea.

2. Benefits: Korea is deficient in printing plants for the printing of necessary scientific and general educational books. This plant will provide much-needed facilities in this field.

3. Estimated total cost: \$475,000.

4. United States contribution in percent, 79 percent:

	Fiscal year 1955	Fiscal year 1956
(a) Dollar.....	\$200,000	
(b) Counterpart.....		\$175,000

5. Local contribution in percent, 21 percent:

	Fiscal year 1955	Fiscal year 1956
Amount.....	\$75,000	\$25,000

6. Engineering costs: 0. (Included in local labor costs.)

7. Status: Contract negotiations are being conducted.

8. Estimated completion date: March 1956. Remarks: The project made no separate provision for engineering expenses. Any required engineering on the purchased equipment was included in the purchase price. The end user is responsible for all local engineering.

Mr. ELLENDER. Mr. President, I return to the proposition that I have never seriously objected to assisting Formosa or South Korea to some extent. I will say to the Senate it was my privilege to visit Formosa on 4 occasions and to visit South Korea on 5 occasions. I have never seen such progress. We have rebuilt those areas of the world to the extent that the people of these countries are better off than they have ever been before.

We are now being called upon to put borrowed American dollars into the economies of those areas, to further projects which our own administrators are advocating. Our administrators in those two areas, Mr. President, are suggesting the expenditure of millions of dollars in order to try to balance agriculture with industry, when there is nothing to work with. My good friend from Idaho [Mr. DWORSHAK] on one occasion traveled with me to South Korea and Formosa. In those areas, Mr. President, I submit that it is impossible to develop industries, since there is very little in the way of natural resources to work with.

When one speaks of balancing industry with agriculture, when there is nothing to work with, I say it would be money foolishly spent. We do not have the money to spare. The money proposed to be spent must be collected from all the people, such as those in the galleries, who pay income taxes. I am sure few

of our people escape burdensome income taxes.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. The Senator from Louisiana mentioned the trip I enjoyed making with him to Asia in the fall of 1956. I should like to reiterate what I have said on many occasions. Because of the diligence and persistence of the Senator from Louisiana, who has acquainted himself with the program of so-called mutual aid in many countries of the world, the Senator has been able to render exceptionally outstanding service to the Senate and particularly to the Committee on Appropriations, of which he and I are members, by helping to clarify some of the problems and by helping to solve many of the problems.

If I have been able to reach any conclusion as a result of the trips I have made—and I think the most important trip was the one in 1956—it is that I have been greatly concerned that the beneficiaries of these programs, in the various countries where hundreds of millions of dollars of American taxpayers' money have been expended, have a complete lack of appreciation of the programs in effect and the contributions being made by the United States in the effort to bulwark their economic conditions and build up their military establishments.

I should like to ask the Senator from Louisiana if he has any particular opinion or view as to the reason for our inability over the past decade to make friends, to retain friends, and to obtain proper recognition for the money which has been spent and for the efforts which have been made by the United States in pursuing these various programs.

Mr. ELLENDER. Mr. President, it is my considered judgment that nations are not different from individuals. One can have the best neighbor in the world living next to him, but if he permits his neighbor to borrow from him and the neighbor fails to pay it back, it is easy to see what will happen. We have been donating vast sums of money to people around the world only to make these foreign nations dependent upon us. It seems that we cannot break away from this program. There seems to be no end to it. If we were to stop or curtail some of the programs which we now have, let us say, in South Vietnam, we would immediately incur the disfavor of the Vietnamese, although today that part of the world is much better off than it has ever been, because of our aid. They would simply look to us to continue those programs ad infinitum.

The great difficulty, I will say to my good friend from Idaho, is simply that instead of entering into these programs slowly and letting the people help themselves, we go to these countries and tell the people what to do. We say to them, "If you do thus and so you can be in the same position as we. Your economy can grow and become equivalent to ours overnight." We make these people very ambitious. But when these people reach a certain point they cannot continue further because they lack the natural resources, education, and know-how.



Then they must call upon us. If we fail to respond, the friendship which was created simply fades away and the seeds of communism have been planted.

Mr. DWORSHAK. Mr. President, will the Senator yield for one additional question?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. There have been indications during the past year or two that Paul Hoffman and other self-appointed spokesmen for the program have indicated the likelihood that we ought to continue for another 5 years, 10 years, or indefinitely, a program involving several billion dollars annually. Does the Senator from Louisiana feel that a great disservice is being rendered to the beneficiary countries, in that they are being led to believe that there is no end to the program, that all they have to do is continue with various kinds of projects, to accept our largesse, to carry on notwithstanding the fact that what was originally envisioned by the program may have been accomplished, merely because so many officials or spokesmen representing the administration are creating the impression, whether justifiably or not that they may expect the program to continue indefinitely? What is the Senator's reaction to that question?

Mr. ELLENDER. Mr. President, that is the gospel which is being spread by our administrators. The great difficulty to my mind is that our program administrators in the various countries simply make the native people believe that money grows on trees in the United States. When one tells the leaders of these countries, "The money we have been letting you have is borrowed money," they do not believe it. I have heard many of them say, "Senator, I cannot believe that. Do you mean to tell me the money we get from the United States is borrowed money?" They simply will not believe it.

An Englishman I talked to in Beirut told me we could blame only ourselves for creating that idea in the minds of the people we are trying to assist. If we had done as General Marshall originally suggested, namely, try to help people to help themselves, we would have gotten somewhere. But today people all over the world are so dependent on us that they will not be able to move without us. If we stop or attempt to slow down the program, they become angry at us.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ERVIN. I was struck by the similarity between the replies of the Senator from Louisiana to the questions of the Senator from Idaho and the expression by Shakespeare:

Neither a borrower nor a lender be;  
For loan oft loses both itself and friend,  
And borrowing dulleth the edge of husbandry.

That has been proved time after time, in connection with the foreign-aid programs.

Mr. ELLENDER. There is no doubt about it. We have made the people of many of the countries we have assisted dependent upon us. They take the position, "What is the use of our doing this,

that, or the other? We will get it from good old Uncle Sam."

I have always been for a program of technical assistance. I think that is one of the greatest programs upon which we have ever embarked. It is a program to help backward people; to give them the simple tools with which to work with what they have. We can teach them almost overnight how to use those tools, although it took us generation to learn. A program of that kind is beneficial, but, I repeat, it should be carried out by the people of those countries themselves. It should not be carried out by pouring in vast sums of money to build hospitals and schools and other things. When we do that, they say, "What is the good of a hospital? We have no doctors." Then we have to go there and educate doctors for them. If we build a school to teach farming in an advanced stage, far beyond their capability, they say, "What is the use of doing that? We expect you to send teachers in order to teach our teachers how to teach our farmers."

To my mind it is silly for us to attempt to put a highly complex operation into a backward country. These people must be taught to crawl before they can walk, to walk before they can run.

The way these programs have been operating is silly. They have been very costly. We seem to have made little progress in actually helping those people. We could have spent a third of the amount which has been spent in many of those countries, and obtained more results simply by following the path of prudence and not overeager ambition.

Now, Mr. President, I would like to return to my discussion of the item "defense support" in the pending bill.

Of course, the eager-beaver administrators have an answer for my objections to this category. They say that because we impose military burdens upon countries far beyond their capacity to maintain, we must provide economic aid, in the form of defense support, in order to take up the slack.

The answer to that is obvious, and twofold.

In the first place, if we did not go in and impose useless military burdens upon those countries, defense support could, for all practical purposes, be considerably reduced and in some areas eliminated. In other words, Mr. President, we find ourselves in a vicious circle.

We impose military burdens on tiny countries far beyond their capacity to carry alone. Thus, in order to entice them, or compel them—take your choice—into bearing these burdens, we must provide economic aid and defense support.

Yet the fact remains, that, if we had sense enough to recognize that the armies we are building in those countries are, for all practical purposes ineffective, then not only could we save much money in outright military aid, but we could save substantial amounts in defense support, as well.

As I said yesterday, I have two amendments for consideration by the Senate today. The first is to reduce military aid by \$100 million. The other is to reduce

defense support by \$50 million. When I offer the individual amendments, I shall cite figures showing the amount on hand and the amount spent in the past on each of these two categories.

In addition, although the planners made much of the argument that military aid and defense support go hand in hand, we are confronted with an anomaly in the pending bill. Last year, military aid was \$1.8 billion; defense support was \$749.8 million. Defense support was 41 percent of military assistance.

Of the 2 amendments which I have submitted, 1 would cut military assistance, as I have stated, by \$100 million; and the other would cut defense support by \$50 million, which would maintain the ratio of defense support to military aid as is contained in the bill now under consideration.

The pending bill calls for \$1.5 billion in military aid, and \$790 million in defense support. This year defense support is more than 52 percent of military assistance.

Thus, on the basis of elementary mathematics, even if the full \$1.5 billion were appropriated for military aid, only \$621 million in defense support—or the 41 percent used last year—should be required in order to support a military program of that magnitude.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to my colleague from Louisiana.

Mr. LONG. Has there not been alarming evidence that a great portion of the defense support money has been handled in such a way that foreign rulers and other foreign politicians, as well as those who do business with them, pocketed a large amount of the defense support money, both in the way they handled the exchange of currencies and the way they overpriced the articles being purchased, and in the buying and selling of articles involving defense support money?

Mr. ELLENDER. I will say to my distinguished colleague there is no doubt about that. I pointed out that very thing in the summary of my many reports on overseas operations of the United States Government, which are now on file with the Senate Appropriations Committee.

There is no doubt in my mind that many of the so-called foreign-aid programs, particularly the economic program, whether it be called defense support or any other name, have benefited most those who have needed help the least. Let us take a case like Iran, which is a country rich in oil and other natural resources. That nation seems to be incapable of forcing its people to pay their proper share of taxes. If the people who are able to pay taxes in Iran were to pay the same amount, proportionately, that we pay, there would be no need of our giving any assistance to the poor people in Iran. Iran is rich in resources, and could use these resources to assist its poor people. The trouble is, however, that the aid we have given to those countries has been used by the rich classes to further improve their own position. As long as our aid continues in



this manner, the people who most need help will not get the benefit.

Mr. LONG. The Senator knows that there have been cases—and this has been admitted by the administration—when foreign countries have overvalued their money, as compared with our money, to the extent of 3 to 1. Then the politicians in those countries would take our commodities and do business with them with their friends in such a way that two-thirds of our money would be pocketed by certain politicians and friends of politicians, and one-third of the money would eventually go to defense support. Then, as has been said, the big stealing starts.

Mr. ELLENDER. We have had cases of that type in Laos, where it is a known fact that some of the bankers have obtained dollars based on a rate of exchange of 35 kip to \$1. Then these same bankers took the dollars to Hong Kong and obtained kip at the rate of 100 to 1. Of course a good deal of this has been stopped but I am sure some other device will be discovered to enable the thieves to continue getting richer while the poor in Laos continue to suffer because our aid is directed to the wrong people.

Mr. LONG. Can the Senator say with certainty that these examples have been stopped? My impression is that they have not stopped. In one country, Laos, the Government has refused to let us see what is happening to our money, and we have refused temporarily to send any more money. That does not mean that the practice has been stopped. The Government has refused to let us see what is happening to our money. We are at an impasse. The administrators will not give them any more money temporarily, and the Government still refuses to let us see what happened to the money.

Mr. ELLENDER. Members of the Appropriations Committee were told during this session of Congress that some of this abuse has been corrected. Our people have been working on it, and as we have been told they have succeeded in stopping it. That does not mean that it will not be continued. We must keep a close watch on such programs. The minute we turn our backs, these manipulators will resort to the same practice.

Mr. President, this defense-support program, as it is currently administered also provides us with an excellent example of the very aimlessness and lack of direction of the so-called mutual-security program.

Last year, spokesmen from International Cooperation Administration came before the Congress and in glowing terms outlined a program of defense support to 15 countries, which would cost a total of \$725 million.

But looking over last year's actual records, we find that somewhere and somehow this program changed its shape so that a total of \$749,810,000 was expended in 12 countries.

That means that the program cost almost \$25 million more than what Congress approved, and that, in addition, this aid went to only 12 nations, and not the 15 mentioned by ICA in attempting to justify the program.

Mr. President, as I said before, this is a graphic example of how the Congress has turned over—without a whimper—the purse strings of our Nation to the misty-minded bureaucrats who want to pour the hard-earned wealth of this Nation all over the world without a thought to the welfare of the people who have fought and earned this wealth, the American taxpayer.

For this year, fiscal 1959, the Senate Appropriations Committee, in the pending bill, has recommended the appropriation of \$790 million for defense support to the same 12 countries.

Thus we see that instead of the program tapering off, it is on the increase. Last year I pointed out that we spent \$750 million on this program. This year we are being asked to provide \$790 million.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ELLENDER. How are we to be sure that this is the program that will actually be followed? What will we find out next year if the Congress should be so unwise as to now approve this entire amount?

To my mind, this is just one more element of proof that insofar as the so-called mutual-security program is concerned, we are throwing prudence to the winds.

This brings us to consideration of the Development Loan Fund.

Mr. President, if any kind of a foreign aid program can be justified, it is the establishment of various loan funds—be it the Development Loan Fund, or this new fund President Eisenhower has suggested to aid in the development of the Arab countries.

Senators will recall that earlier in my remarks I quoted from the recommendations offered by General Marshall, when he first suggested the Marshall plan. The pertinent portion of the remarks reads as follows:

Loans should be made to cover imports of capital equipment and raw materials which will directly produce the means of repayment and where such repayment can reasonably be expected.

At the same time, every encouragement should be given to early initiation of private financing so as to eliminate as far as possible the necessity for direct assistance from the United States Government.

It is my considered judgment—and I think history bears me out—that if we had followed General Marshall's advice 10 years ago, we would not be in the boat we find ourselves today.

Now, 10 years after the program was started, the executive branch has finally come back to life and decided that the principle of loans, not handouts, is the correct one to follow in extending economic aid. I applaud the executive branch for that decision.

For that reason, I shall not attempt to reduce the committee recommendations of \$580 million for the Development Loan Fund. The unfortunate aspect of this new approach is that we may have difficulty in creating a revolving fund for use in all underdeveloped countries since the loans are repayable in soft currencies. My guess is that Congress

will be called upon for more and more cash to replenish the capital of the fund.

In other words, Mr. President, Congress has been led to believe that this is a "revolving fund." It has been justified to us on the basis that the crying need of most underdeveloped countries is for American dollars.

However, repayment of loans made from the fund need not be in dollars; as a matter of fact, the testimony before the legislative and appropriations committees of both Houses of Congress offers ample proof that there will be little if any effort made to obtain repayment in dollars.

Under these circumstances, since loans must be in dollars but repayments will be in soft currencies, the fund will never revolve. One witness testifying before the House Appropriations Committee indicated that the development-loan program could last for a generation or longer.

Thus, I fear that we will wake up to the fact sometime that we will be bound to continue to appropriate dollars in order to maintain the Development Loan Fund's capital, since it will not be replenished by loan repayments in soft currencies.

This is the same fear I voiced earlier about any new development fund being set up for the Middle East countries.

I regret to inform the Senate, also Mr. President, that the Loan Fund's policy at this time is to confine the use of repayments to the country where the loan was made. In other words, if we lend dollars to country X, country X repays that loan in her own currency. However, instead of using those repayments where we might be able to gain some benefit, such as in country Y, for example, they must be used in country X.

The net result of this approach will be to pile up local currencies all over the world, which are deposited to our credit, but which we cannot use.

Experience should have amply demonstrated the futility of such an approach. Tables in the House hearings on this year's foreign-aid bill show that the United States already owns some \$1.8 billion in local currencies, derived from prior-year foreign-aid programs, from Public Law 480, and other sources.

In a number of instances that currency cannot be used by us even to pay for day-to-day expenses of our Government operations in those countries. It just accumulates until its existence becomes more than our money-hungry planners can stand. Senators well remember that only a few weeks ago, I opposed a barefaced attempt to raid the special counterpart account by making it possible for those funds to be used without regard to existing law.

The funds at which the legislative change was directed had accrued to our credit in Austria. They were just lying there; they could not be used. They provided a tempting tidbit to anxious and eager administrators desirous of getting their hands on a little more money.

Under the circumstances, Mr. President, I approach the loan fund idea with fear and trepidation, but, as I have stated, I am compelled to more or less



endorse it because it holds out the only prospect of our obtaining some return, no matter how small, on any further foreign-aid expenditures the Congress may provide. However, I warn Senators that they must not regard the Development Loan Fund as a bright and shining hope. The factors I have already enumerated emphasize the dangers in the fund as it is now proposed to be operated. If, in addition to these, it is remembered that the fund is now incorporated, then the cause for apprehension becomes more acute.

I, for one, do not want to see this program turn into an international RFC, but today it has the earmarks of becoming just that.

I must warn the Senate that the rats have been in the corncrib already. The Development Loan Fund already shows signs of being raided by the big-shot bureaucrats who administer the program.

Senators will recall that the purpose of the Development Loan Fund is to make needed capital available to underdeveloped countries on a loan basis when those countries are unable to obtain loans from other sources, such as the World Bank, the Export-Import Bank, and others.

Yet, testimony before the Appropriations Committee—meeting in executive session—shows that at least one country which does not meet those criteria is going to get a loan from the fund.

Another thing which the record shows is that many of the countries into which we dump billions of dollars do not need to make applications for loan funds. I believe that these funds should be used in order to assist countries which are really and truly underdeveloped.

I wish I could refer Senators to the exact testimony, but the record before the Appropriations Committee has been heavily censored; almost every scrap of information which might be of use to the public, and to the Senate, in properly evaluating this program has been deleted. It is all "secret."

At any rate, I urge Senators to keep a close eye on this fund. It should not be used to assist countries that have already received a bountiful share of our generosity. If we turn our backs, it will be raped, just as the philosophy behind the original Marshall plan has been torn and shredded by the would-be empire builders in the executive branch.

Here, as in other areas of the program, our administrators want to go "all out" in demonstrating to the world that Uncle Sam has an inexhaustible source of dollars, that we are going to cover the globe with a layer of greenbacks. This approach may be easier than making intelligent foreign policy decisions, but it is the primary reason why we are losing the cold war, battle by battle, day by day.

I might add that the administration keeps demanding more "flexibility" in dispensing foreign aid funds. Goodness knows, Mr. President, this bill is already about as flexible as any piece of legislation can be and still stay within the constitutional requirement that no legislative power be delegated to the executive branch.

There is no requirement in the bill that the programs submitted to either the Foreign Relations Committee or the Appropriations Committee be carried out as justified. Country-by-country breakdowns which have been furnished by the State Department and the International Cooperation Administration in so-called "justification" of the measure are purely "illustrative." The bill before us does not appropriate funds on a country by country basis. Thus, within the general appropriation headings of this legislation, the administrators have almost 100 percent flexibility.

In addition, there are specific "slush funds" which can be used for any purposes the administrators may desire—for military aid, economic aid, or for any other purpose, with no strings attached.

For instance, the "special assistance" category can be used for economic aid just as the executive branch sees fit. The House provided \$185 million for this purpose. The Senate Appropriations Committee, acting in a spirit of complete generosity, raised this to \$200 million dollars.

Then, there is the contingency fund. This is a "slush fund" if one ever existed. As I recall, not only can the administrators use this amount as they desire, but a portion of it need not even be accounted for—no vouchers for that portion need be provided.

The House cut this amount to \$100 million, but, again, the Senate committee has raised the House amount and has recommended \$155 million.

Of course, the plea is made: "Do you not trust the President? Do you not think he would use this authority wisely?"

That begs the question, I must respectfully submit. The President, as a practical matter, does not make the decisions in this area. Someone else makes those decisions for him, and while I might trust the President, I certainly do not see any point or purpose in handing \$155 million to some anonymous bureaucrat to do with as he may please.

In this regard, Mr. President, it should be recalled that the administration is once again engaging in the old shell game with the Congress, insofar as these categories of aid are concerned. This year, as in years past, the bureaucrats once again are proving that the administrative hand is quicker than the congressional eye.

During fiscal 1958, a grand total of \$225 million was provided for both special assistance and the contingency fund. This amount was deemed sufficient to provide for special categories of economic aid, and also to take care of any unforeseen contingencies which might arise. Actually, Mr. President, as I have already pointed out, the Chief Executive already has an abundance of discretion to deal with such situations.

Now, for fiscal 1959, the foreign-aid planners have split the 1958 fiscal year special assistance and contingency fund. Where there was 1 fund, we now have 2 funds.

Each, of course, has its separate appropriation. For special assistance this bill

carries \$200 million and for contingencies, \$155 million. Thus, in this bill, there is a total amount of \$355 million to provide assistance to areas where \$225 million was deemed sufficient last year.

In other words, again I wish to point out that, instead of tapering off the program, every year we are increasing it.

Is it the Senate's wish to perpetuate conditions which bring us into disrepute, and which actually handicap the attainment of what should be our objectives?

Senators should go into the field, and see how our foreign-aid program actually operates, if they desire specific proof of the damage it is doing to us. In Iraq, for example, where we have spent much money—both for military aid and for economic aid—the very conditions which we created had, I believe, much to do with the revolt there.

How can Senators expect the masses to be grateful to the United States, when in most instances the aid money we provide makes the rich richer, but extends no appreciable benefit to the poor or the hungry? Senators must see for themselves such conditions, as I saw them in country after country, the rich living in big houses, enjoying the best of everything, while millions go hungry in the streets or, at best, live on the very edge of starvation.

Senators should see some of the great work we have done in increasing agricultural production on lands owned by wealthy landlords. The progress has been marvelous; but those who till the land do not obtain any benefit. On the contrary, the landowner's profits merely grow larger while the poor remain poor, and the hungry still starve.

In his recent speech, President Eisenhower said that one of the objectives of his new Middle East plan would be a concentrated effort to bring aid to the people who really need help—the starving masses.

Mr. President, again I respectfully submit that what is good for the Middle East is good for the entire world. If there is a realization on the part of the President that our present wasteful aid program in the Middle East is not getting through to the masses of people in that area, then surely there must soon dawn on him the realization that the same situation must exist in other parts of the world.

I applaud the President's statement, but I should also like to point out that nothing has been changed by his speech; the old giveaway program still continues in all its shameful waste.

Of course, it will be said that three countries, which formerly obtained their share of this largess from defense support, have been transferred from that category into the special assistance category. This might be a plausible argument if the defense support had been reduced proportionately. But, as I have already stated, the amount of defense support for the fiscal year 1959 has been increased over the amount of defense support for the fiscal year 1958.

This factor, coupled with the double-up and catch-up techniques used to ob-



tain more money for special assistance and the contingency fund, emphasizes the wizardry and sleight-of-hand which some of our giveaway artists possess.

Mr. President, I have already spoken at length, and I do not intend to take up much more of the time of the Senate by going into the details of this proposed legislation.

A splendid case can be made, on purely reasonable and logical grounds, for the making of sizable cuts in this program.

Why, in the name of commonsense, we should continue blithely to appropriate vast sums of money to maintain a program which has not been effective, is beyond my comprehension, and is beyond the comprehension of most of the American people.

For example, Mr. President, in 1952, I visited Liberia, where we were maintaining a rather large technical-aid program. At that time, I complained that what the fishermen of Liberia needed, for instance, were fewer theoretical fishery surveys, and more nets with which to catch the fish they knew were there.

On page 1508 of the hearings held by the House Appropriations Committee on the 1959 foreign-aid appropriation bill is found the official ICA comment on my recommendation. Here is what ICA said:

Following investigations of deep-sea fishing conditions by ICA and U. N. experts, a Liberian businessman entered the sea fish business. He has been highly successful.

In other words, Mr. President, our expenditures for fishery surveys in Liberia seem to have redounded to the benefit of one individual businessman who has made much money. No wonder the masses of the people frequently do not know of American aid. And, when they do, they often believe that we are desirous of making the rich even richer, instead of bettering the lot of the common man.

Let me give the Senate just one more example of how this program operates.

In 1956, and again in 1957, I filed with the Committee on Appropriations reports—which were available to all Senators—covering my inspection of foreign-aid programs in a number of countries. Copies of these reports were also sent to the State Department, to the foreign-aid administration, to the Defense Department, and to other interested agencies of government.

In those reports, I criticized our aid program to Afghanistan, particularly our ambitious scheme to build airports in that tiny country, to train pilots to fly airplanes for an Afghan airline, and to provide aircraft for the airline.

Some interesting things about that airline transaction are now coming to light.

For instance, on page 737 of the House hearings, Mr. John O. Bell, regional director, Office of Near East and South Asia Operations, stated with reference to Afghanistan:

We have provided assistance to the airfield development, also for the purchase of equipment, and we have been providing technical assistance for a contract with some Pan American people for technical services.

In other words, it now develops that Pan American World Airways has the technical assistance contract—for which our Government pays—to extend technical aid to that Afghan airline.

Mr. President, guess who owns 49 percent of that Afghan airline company stock.

Pan American World Airways does, of course. Here, again, I quote from page 737 of the House hearings, with reference to the Afghan airline:

Mr. ANDREWS. Who owns the airline company?

Mr. BELL. Forty-nine percent is owned by Pan American, and the balance is private and public Afghanistan capital. In other words, 51 percent represents private and public Afghanistan capital, and 49 percent Pan American.

Since the majority interest is split among public and private capital, Mr. President, it would seem to me that Pan American World Airways actually controls an airline company to which Pan American extends technical assistance under a contract with ICA.

It is things such as that, Mr. President, that have given foreign aid such a bad name abroad, and are injuring our Government in its efforts to obtain from the common people—the people we are actually trying to help—sympathy and understanding for our point of view.

At this point, it might also be well for me to mention, for the RECORD, that according to biographical data provided in the House hearings, the present ICA administrator, Mr. James Hopkins Smith, served for 3 years—1946 to 1949—as vice president of Pan American World Airways in charge of the Atlantic division—Europe, Middle East and India. I refer to page 58 of the House hearings.

The facts are there for all to see, but they are ignored. Certainly, they are never admitted by those who demand continued enactment of so-called mutual security legislation.

If Senators desire to vote to continue the program as now constituted, they are free to do so. For my own part, I will not vote for one dime for foreign aid as we now know it.

I refuse to be a party to creating in backward countries conditions which provide fertile grounds for Communist agitators. Anywhere we find vast wealth and abysmal poverty existing side by side, with Uncle Sam helping to line the pockets of the rich, we can expect international communism to gain a foothold and to make progress.

I refuse to pay tribute to oil-rich potentates of the Middle East, in an effort to keep them on our side, while their people remain hungry, diseased, ill fed, and ill clad. I am opposed to the use of American dollars to provide a platform from which Red agitators can denounce our way of life, our foreign-policy objectives, and frequently turn those words into actions.

I am sick and tired of having our country pour millions of dollars into country after country, on the premise that we are “buying” security, when all we are doing is casting intolerable burdens upon young nations which are striving for dignity and independence.

If what we hope to achieve with this so-called mutual security program is to strengthen free-world defense and to obtain the respect and friendship of other nations, we should stop attempting to stand astride the world, brandishing a checkbook in one hand and a hydrogen bomb in the other.

We will not win the war for men's minds by demanding that they either take our dollars and respect us or suffer the threat of atomic extermination.

Mr. President, let us be realistic.

Freedom exists in the world today not by virtue of the billions upon billions of dollars we have lavished throughout the world, but upon American military strength and the strength of our own economy.

If we continue to rely upon a foreign policy based upon useless dollar gifts, not only will we actually encourage dislike for us and our objectives, but we run the terrible risk of so burdening our own economy that we will be unable to meet future challenges. I remind the Senators of the action we took yesterday in raising the debt limit to \$288 billion.

All of us know, or have heard, that during this fiscal year our Government will probably sustain a deficit of from \$10 billion to as much as \$13 billion. Anyone with commonsense knows that we cannot keep our economy strong if we continue, to pile debt upon debt. It is becoming very clear that we do not have to get into a war to destroy ourselves. If we simply destroy American initiative by overtaxation we will succeed in accomplishing what the Communist could never accomplish on the field of battle.

I should like to refer Senators to the recent hearings held, wherein our Secretary of the Treasury, Mr. Anderson intimated that if this country goes into the red as much as is anticipated, taxes will have to be increased. This situation does not make sense to me. We are still spending money to assist our so-called friends across the sea, while they are in a position not only to cut their taxes, but to reduce their armies. Yet, there is a distinct possibility that we may have to increase our taxes to continue giving this aid. It does not add up.

If that happens, freedom is doomed, and the Red tide of communism is going to engulf the world.

I plead today for reason, Mr. President. I beg Senators to wake up and recognize what they are doing to the cause they seek to further, the injury which this bill will work upon that cause, by continuing to blindly, haphazardly vote billions upon billions to finance a program which is not working, and which is actually dangerous.

It now remains for us to carefully study the record of this past policy and decide whether or not we wish to continue down the road we have been following.

When the original program was enacted into law, the people of the United States were advised that it was merely temporary, that the United States would simply extend a helping economic hand to peoples in need, so that the threat of



their being taken over by a Communist form of government could be averted.

Through this medium of foreign aid, we were told that if we could rehabilitate nations in need through a short-range program, then they could thereafter provide for themselves, and assist us in carrying the burden. But, Mr. President, as I have just indicated, and as I will demonstrate later, we have spent billions of dollars in Western Europe. Those countries are in better financial shape than they have ever been in their history. Yet, we are still carrying from 38 to 40 percent of the cost of their military budgets, aside from our own. That is the kind of help we are getting from them, notwithstanding the amount of money we have been spending in those countries.

We were even told that by granting aid we could make these needy countries strong ones, ready to stand by our side if the worst were to come.

Paul Hoffman, Administrator of the Economic Cooperation Administration, in testimony before the Committee on Appropriations of the Senate on June 8, 1949, said:

Listen to this, Senators. This is Paul Hoffman speaking:

This economy cannot go on indefinitely spending \$15 billion or more a year for military defense.

That was Paul Hoffman speaking only 7 years ago. He said we could not go on spending \$15 billion a year for defense without courting disaster, yet now our defense budget has reached the astronomical total of over \$40 billion per year. Instead of getting better, the situation seems to be getting worse, Mr. President, despite the extension of foreign aid far beyond the recommendation of ECA.

Let me quote further from Mr. Hoffman:

The surest way I know of to reduce the danger of war so that we may reduce our Military Establishment is to carry on the recovery program, to the point where a free and self-sustaining and unified Europe is able to play its full role in cooperation with the United States and other free countries in maintaining the peace and prosperity of the world.

I remind Senators, that was Mr. Paul Hoffman speaking, 7 years ago.

At the same hearing, Mr. Hoffman also predicted that by 1952 European industrial production would be at 125 percent of prewar production, and that such an accomplishment would signal the end of ECA in Europe.

I read from the hearing:

Senator CORDON. Now, Mr. Hoffman, let us assume success at the end of 1952. Let us assume that your target, which I believe is 130 percent of prewar production, has been achieved at that time.

Mr. HOFFMAN. I think it goes a little less than that; I think it is about 125 percent, Senator.

The Senate should be advised that the industrial production of Europe today is not 125 percent or 130 percent of prewar, but it is over 166 percent of prewar production. Despite this, it seems impossible to convince planners that our aid to this area should cease.

We are now supporting our own military establishment. We are also paying for some 38 to 40 percent of the military budgets of Western European countries. In addition we are carrying the whole load in practically all of southeast Asia, Formosa, and South Korea.

In this very bill there is an item of \$12 million to pay for logistical support of the few token foreign forces in South Korea. These token forces amount to about 5,600 troops. Is it not shameful that we are maintaining over 2½ divisions of our own troops in South Korea, with all the other United Nations furnishing only 5,600 soldiers, and in addition, good old Uncle Sam must furnish the money to feed those token troops? I think it is ridiculous. But I say as I have said many times in the past, as long as we permit other nations to lean on us, they are going to continue to do so.

The American taxpayer has put a substantial amount of money into foreign aid. Let us see what he has received for his dollars today.

The North Atlantic Treaty Organization was to be the bulwark against any possible Communist military strike into the West. As originally proposed, it was to be composed of 66 divisions, of which 6 were to be United States troops.

Today, the paper strength of NATO is 30 divisions—both active and reserve. Of the 12 active divisions, in Western Europe, 5½ are staffed by the United States troops. The seven remaining active divisions are European.

I do not include the nations of Turkey and Greece in the statement, but I am speaking only of the area of Western Europe, as where we have spent, as I shall show in a moment, billions of dollars.

England has seen its taxes cut, while personal earnings are rising. Yet, England, too, still leans upon the United States.

France, another of our wartime partners, continues to ask for aid even though French industry is at a higher level than in prewar days. In effect, the United States is being asked to pay for France's pursuit of a colonialistic policy and negotiations are now in progress for further aid to France to bolster her economy.

In the Middle East we see our aid poured into the laps of the very wealthy, with little seeping through to the people we intend to aid. We also find the United States helping to maintain the economies of countries in which the wealthy pay comparatively low taxes.

In Southeast Asia the United States is bidding dollars against rubles to win allies away from the Communists.

From the high point reached by the Marshall plan, the people of the United States have seen the wealth of this country poured into other lands with almost complete abandonment, with little if any long-range results.

It now remains to take a new look at our foreign policy.

We must determine if we can continue this almost indiscriminate spending of money with declining results.

I am satisfied, Mr. President, an objective appraisal will reveal that we cannot.

Mr. President, as I said previously, the pending amendment would cut \$100 million from the military assistance program. We can do that easily, Mr. President, without endangering the program in any manner. As I pointed out, there will be sufficient money, if we cut this item by \$100 million, to carry this program until September of 1960.

Let us not continue to burden the underdeveloped countries all over the world with armies they cannot possibly sustain. That is what we are doing. The more we do that, of course, the more so-called defense support will be needed.

Mr. President, I have submitted two amendments. One provides a cut of \$100 million from military assistance. The other provides a cut of \$50 million from defense support. These 2 amendments, if adopted, will keep the 2 funds in balance, as they have been in the past.

Mr. President, in addition to all the direct aid we are now being asked to make available to these countries, there is also a Public Law 480 program through which we assist our friends by furnishing to them millions of dollars in goods and commodities. For instance, in those countries already getting defense support—and I ask Senators to pay particular attention—for 1959 we are providing \$135 million in surplus goods, under Public Law 480.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me so that I may propound a unanimous-consent request?

Mr. ELLENDER. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of suggesting the absence of a quorum without losing his right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### ORDER FOR CONSIDERATION OF INDEPENDENT OFFICES APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding the provisions of section 139 (a) of the Reorganization Act, which requires appropriation bills to be reported 3 days before they are taken up, there be an order to take up the independent offices appropriation bill today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.



## MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 3028) for the relief of Laszlo Cseri, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 11382) to authorize the conversion or exchange, under certain conditions, of term insurance issued under section 621 of the National Service Life Insurance Act, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6282) for the relief of the former shareholders and debenture note holders of the Goshen Veneer Co., an Indiana corporation.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 13247) to strengthen the national defense and to encourage and assist in the expansion and improvement of educational programs to meet critical national needs, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 12226) to amend the Virgin Islands Corporation Act (63 Stat. 350), and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 3571. An act for the relief of Boris F. Navratil; and

H. R. 10495. An act to amend that part of the act of June 9, 1896 (29 Stat. 313), relating to the establishment of postal stations and branch post offices, so as to permit them to be established within 10 miles of the boundary of the adjoining city.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bill and joint resolution of the House:

H. R. 13254. An act to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety; and

H. J. Res. 675. Joint resolution to facilitate the admission into the United States of certain aliens.

The message also announced that the House had passed a joint resolution (H. J. Res. 704) establishing that the first session of the 86th Congress convene at noon on Wednesday, January 7, 1959, in which it requested the concurrence of the Senate.

## ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H. R. 9700. An act to consolidate into one act all of the laws administered by the Veterans' Administration, and for other purposes; and

H. J. Res. 648. Joint resolution providing for a joint session of Congress for commemorating the 150th anniversary of the birth of Abraham Lincoln.

## MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The pending amendment is the Ellender amendment lettered "C."

Mr. JOHNSON of Texas. May we have the yeas and nays ordered on that amendment?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I am informed that the Senator from Mississippi [Mr. STENNIS] desires to make a brief statement, lasting perhaps 5 minutes. The Senator from Louisiana wishes to make a brief statement. The Senator from Illinois [Mr. DIRKSEN] will reply, and I hope there may be a yea-and-nay vote on the pending amendment.

The Senator from Louisiana has another amendment which he expects to offer immediately, and we would like to have the yeas and nays ordered on it. We shall request the yeas and nays as soon as he offers it. If Members will cooperate by remaining in the Chamber, we expect to vote shortly on the pending amendment, and when the next amendment is offered, I have agreed to ask for a yea-and-nay vote on it.

The PRESIDING OFFICER. Does the Senator from Louisiana retain the floor?

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. Mr. President, I was detained this morning from attendance in the Chamber, but I entered the Chamber on several occasions and observed that many other Senators were as busy as I was outside the Chamber. Therefore, I did not have the opportunity to get the full purport of the amendment which the Senator from Louisiana offered.

I wish also to make some inquiry of him with respect to some evidence which I find in the committee report. I am sure this can be illuminated by the statements of the Senator.

For example, on page 4 of the Senate committee report, I find a statement with respect to the defense support which is provided for in the pending bill.

I am aware, from personal conference with the Senator, and from his testimony before a joint committee representing both the Public Works Committee and the Committee on Interior and Insular Affairs, that he has visited a great part of the world in his endeavors to find out what is being done in foreign nations, in the way of their own activities, and by way of expenditure of American funds.

I find on page 4 the statement that the Bureau of the Budget made a request for \$835 million for defense support. This, of course, is a request transmitted in the name of the President. The appropriation for 1958 was \$725 million, according to the committee report. There is a table on page 2. So the estimate submitted by the President was \$110 million more than the entire expenditure for defense support in 1958.

The House of Representatives reduced this amount to \$700 million. That was \$25 million less than the appropriation in 1958. However, it has been increased by the Senate committee by \$90 million, to \$790 million. Does the Senator know why that increase was recommended by the Senate committee?

Mr. ELLENDER. The Senate committee tried to approach a bit closer to the authorization; \$810 million request was authorized to be appropriated.

Mr. O'MAHONEY. The authorization act provided for—

Mr. ELLENDER. Eight hundred and thirty-five million dollars.

Mr. O'MAHONEY. No, the authorization act provided for \$810 million. So the estimate submitted by the President was \$25 million above the authorization, but the amount reported by the House committee was \$110 million below the authorization act, and \$125 million below the estimate. However, the House recommended \$700 million, and the Senate committee has recommended \$790 million, which, of course, is not only \$90 million more than the amount in the House bill, but it is more than the appropriation for 1958. What is the explanation for that increase?

Mr. ELLENDER. I do not know. I have been trying to taper off this assistance. I pointed out in my main address a moment ago that although the authorization for defense support last year was \$725 million, there was transferred from the military assistance fund some \$24 million which brought the defense support total to \$749 million. I sought to point out during my main speech that notwithstanding the increase last year, over and above the amount appropriated by transfer, with 3 countries less than were supposed to have been taken care of last year, this year we have provided almost \$50 million more money. That is my reason for offering an amendment to reduce the amount to \$740 million.

Mr. O'MAHONEY. Does the Senator's amendment relate to defense support?

Mr. ELLENDER. My second amendment relates to defense support. De-



spite a proposed reduction of \$50 million, it would still provide for defense support in an amount that is \$15 million more than was appropriated last year.

Mr. O'MAHONEY. Knowing the diligence of the Senator from Louisiana in visiting foreign countries, I should like to read to him a paragraph from the committee report on page 4. After reciting that the Budget Bureau had made a request for \$835 million, and pointing out that \$45 million was for Europe, \$195 million for the Near East and South Asia, and \$595 million for the Far East, I find these words:

The amounts for individual countries are classified. The countries included are: Spain, Greece, Iran, Turkey, Pakistan, Cambodia, Korea, Laos, Philippines, Taiwan, Thailand, and Vietnam.

The Senator from Louisiana has visited Indonesia and he has visited Taiwan, and he has visited Vietnam.

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. I have heard reports from persons who claim to have been there, and they have told me that the employees of the United States, who are spending this money, are living in homes and palaces of the upper classes in Indonesia and are thereby earning the enmity of the common people of those lands. Is there any basis for that statement?

Mr. ELLENDER. There is no question but that our employees live in the best homes available in Taiwan, in Indonesia, in South Vietnam, and, in fact, all over the world. The Senator remembers that last year there was a burning of our Information Service Center in Taiwan.

Mr. O'MAHONEY. Yes.

Mr. ELLENDER. I believe that a great deal of the enmity which develops comes from the fact that people who represent us forget that they are living in Taiwan or another foreign country. Instead they want to enjoy the use of the finest automobiles and live in the finest homes just as if they were at home. They must remember that they are representatives of the United States in a foreign country and must live according to the style and customs of that country. I have no doubt that that is a great cause of that feeling of enmity to which the Senator has referred.

Mr. O'MAHONEY. Do they give the impression that they are the emissaries of freedom, or do they give the impression that they represent the ruling classes?

Mr. ELLENDER. They are not, in my judgment, very good ambassadors of good will insofar as our country is concerned. There are exceptions, of course. Some employees are a credit to our country, but I must sadly admit that, in my opinion, the vast majority are not.

Mr. O'MAHONEY. What was the reaction among the people, as the Senator observed it?

Mr. ELLENDER. They do not like it. I am talking about the common people of these countries themselves. We have had criticisms of our people from natives of foreign countries because of the way of living maintained by these representatives. I also remember on several

occasions getting this reaction from some people: That we advised them they should have certain kinds of hospitals and health centers. We built samples of those facilities. Yet, we found that if we built in one area and not in another area, we created dissatisfaction. In other words, we advocated the establishment of facilities far beyond the economy of those countries to maintain. We are getting ourselves into a great deal of trouble in doing that, because we are trying to build in these relatively backward countries complex and modern facilities in use in this country.

Mr. O'MAHONEY. Mr. President, let me call to the Senator's attention a sentence in the report, just before the list of 12 countries. The report says: "The amounts for individual countries are classified." Does that mean that we are not able to advise the people of the United States the amount of money which will be taken from our revenues to be spent under the circumstances the Senator has described?

Mr. ELLENDER. The Senator is correct. I have complained about that on many occasions. The reason given is that our representatives do not want the people in Indonesia, for instance, to know what the people in South Vietnam are getting. They do not want the people in South Vietnam to know what the people in Taiwan are getting, for fear of arousing jealousies. The funds are not being distributed on the basis of need, but on the basis of who gets what as compared with his neighbors.

When I was in Thailand in 1956 I saw some editorials in which the complaint was made that Thailand was getting only \$25 million, whereas South Vietnam was getting much more. The question was asked: Why is not Thailand treated like the other country?

Mr. O'MAHONEY. Does the Senator believe that there is any reason, within the objectives for which this country is struggling, namely, the establishment throughout the world of free governments, why the people of the United States should not know what is being done over there, and why the people of those countries should not know what their governments are doing?

Mr. ELLENDER. Our people should know. They have a right to know. That has been my position throughout. Yet, for one reason or another, these figures are classified.

Mr. O'MAHONEY. Who classified them?

Mr. ELLENDER. ICA or the State Department.

Mr. O'MAHONEY. Has the President classified them?

Mr. ELLENDER. I do not know. I presume so. Those agencies represent the President.

Mr. O'MAHONEY. Was any inquiry made at the hearings as to who classified them?

Mr. ELLENDER. I have no information on who classified them.

Mr. O'MAHONEY. Does the Senator agree with me that what the people of the United States should do, in leading the world to freedom, ought to be done

on the table so that everybody could see it?

Mr. ELLENDER. When we render aid to country A, we should make it known to the people who pay for this aid. Why it should be kept secret is beyond my comprehension. I believe the practice developed in the Middle East. I have often heard it said that the only excuse for helping Lebanon was that we were helping Israel. That was the excuse given. The fear was that if it were revealed how much money we were spending in Jordan or how much money we were spending in Israel, or how much money we were spending in Iraq, jealousy would develop among the countries, and more trouble would evolve than if we kept the figure secret. However, the countries do find it out.

Mr. O'MAHONEY. They all find out except the people of America.

Mr. ELLENDER. That is right.

Mr. O'MAHONEY. I know the Senator has been on his feet for a long time, and I appreciate his answering my questions. His answers have been very helpful to me. I shall not burden him further.

Mr. ELLENDER. I thank the Senator.

Mr. STENNIS. Mr. President, I wish first to commend the distinguished Senator from Louisiana for a very fine and factual statement, a splendid, logical argument with reference to the bill, and for his very fine down-to-earth, practical, and arduous work from year to year in connection with this subject matter. He gives the Appropriations Committee more practical down-to-earth and factual information, as it really exists at the ground level, than anyone else.

I wish briefly to mention my growing concern, which I believe is also the growing concern of people throughout the Nation, with respect to increasing the programs and increasing the appropriations.

At a time when we are blithely going along with a \$12 billion to \$14 billion deficit in the current fiscal year, the Secretary of Defense tells us of the possibility of a \$60 billion to \$70 billion military budget within the next few years. That would be the amount of the appropriations for the military alone for each year. We are voting larger and larger appropriations.

However, at the same time we are actually voting on tax reductions. Just a few days ago the Senate Committee on Appropriations was discussing the Supplemental Appropriation bill carrying \$3.8 billion. It finished its work at about 6 o'clock in the afternoon. When we came on the Senate floor there was in progress very active and vigorous debate concerning tax reductions.

The pending amendment at that time, which had some chance to be adopted, would have provided for at least a \$3 billion tax reduction. We are told that the approximately \$4 billion in the bill is necessary for our national survival. Anything which is necessary for the survival of a nation or to save it or its people certainly deserves the making of sacrifice and retrenchments elsewhere. But where is there a move to save and



reduce appropriations for other agencies of the Government or other programs in the Government, in order to provide the \$4 billion which is alleged to be necessary for our survival? I do not find it. Where is the recommendation to tap some other source of revenue to obtain this money? I have not found that in Congress. I have not found it in the executive branch of the Government.

I do not speak in personalities when I ask: Where is the effort on the part of those who sponsored the bill to do something toward reducing expenses somewhere else, in order to provide the money for this program; or if not that, to provide the increased taxes with which to pay for it? There simply is not any leadership in that direction.

We are blindly going along, merely borrowing the money, and passing the debt on to someone else, rather than to ourselves, thereby, at the same time, cheapening and decreasing the value of the dollar and, therefore, the savings of the people.

So I say it is time for a halt; time for a reappraisal; time to look for the real, positive kind of leadership. If such a program is necessary, then we must have the kind of leadership which will make us endure the hardships necessary to meet these problems. But we are simply not taking those steps now. When we fail to do so, we are misleading the people of the United States. I think the people are correct in assuming—and they do assume—that if the money is necessary, and if the other funds of the Government are necessary, then we will measure up to the courage and responsibility not simply of appropriating to meet these obligations, but also to make certain that the funds are provided.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield briefly; I do not have too much time.

Mr. LAUSCHE. I shall not interrupt the Senator, then; I wanted to make some comments about what he has said.

Mr. STENNIS. I thank the Senator, I have almost finished.

There are others who know more about the operation of the bill than I do. But I at one time supported measures such as this, until I was made a member of the Committee on Appropriations and learned more about how, unfortunately, these funds are spent. I am fully convinced, even though I think we have to have some program rather than turn our back on all these activities, that the bill provides far more money than is actually needed, certainly until the program has been greatly revised.

I think it is another part and another step in our own unfortunate policy of sending more guns and more ammunition all over the world, sending money all over the world, trying to patch up the cracks and stop the leaks, rather than devising a new program which will really meet the situation.

The aid part of the program has now reached the point where it is simply a question of outbidding Russia; that we must do this or that because Russia is doing it. It is the overwhelming nonsense of having such a policy as that

which convinces me that the program cannot possibly be successful and, in addition, will bring us untold trouble and unheard-of problems.

I am happy to support the very modest amendment of the Senator from Louisiana, not only with respect to the military funds for guns, but also for the so-called military support. I feel certain in my own mind that these amendments should go far beyond what they propose.

Mr. LAUSCHE. Mr. President, I am in substantial agreement with the thoughts expressed by the Senator from Mississippi. Last night, after the Senate voted to increase the debt ceiling from \$280 billion to \$288 billion, when I got home I began to ponder the significance of what we did. With lightness of attitude, we increased the ceiling \$8 billion. We thought that was the solution of our problem. Many of the citizens of the country, reading about it, probably feel that is the solution. Yet, upon reflection, I cannot help thinking that all we did was temporarily to make possible the printing of a lot of bonds to pay the deficit which was created by Congress in the national fiscal status.

I pondered the fact, as expressed by the Senator from Mississippi, that my bequest to posterity has been a program of spending, on my part, and a burden of paying the debt by those who will follow.

Last night, expressions were made about the lifting of the debt ceiling. Out of a combination of several expressions, in my judgment, came the truth. Those who have voted for every spending measure should have gladly supported the increase in the debt ceiling. They should have said, "Yes; I have been for spending, and I will bequeath to my children the responsibility of paying the taxes which will liquidate the debt."

I think that in the next session of Congress there should be two primary objectives: First, to avoid in the maximum degree the spendings which are not indispensable; second, to plug the leaks in the tax collections. That was the composite thought which was expressed on the floor last night.

Our country is in danger. If my home were in danger of being consumed by fire, my spending would be in the direction of stopping the conflagration. I would not be out spending money on many things which could wait. But that is not what we are doing in the Senate. We are spending, of course, to the extent that we believe is necessary for the national defense. But that spending becomes backbreaking, because accompanying it we are doing much spending which could wait.

Mr. President, some newspapermen should search the records of this Congress and should study the arguments made in regard to each spending bill. Everyone of those bills was supported by the appealing argument, "The life of the Nation is dependent upon this proposal." I doubt that Senators will find a single one of the money-spending bills that was not supported by the argument, "Unless this money is provided by the Congress, the Nation will fail."

Mr. President, if the Nation fails, it will be because of the backbreaking bur-

den of being militarily strong, while at the same time giving no heed to retrenchment in things which are not indispensable, and giving no heed to the plugging of the tax leaks and to the effort to collect taxes where their collection is justified.

Last night, some true revelations were made. I heard some statements regarding fixing the responsibility for the \$288 billion public debt. I think that responsibility lies equally upon the administration and the Congress. The President has vetoed many bills. He should have vetoed many more; and the Congress should have passed many less bills involving unjustified spending.

My commendations go to the Senator from Mississippi [Mr. STENNIS].

However, I must say to the Senator from Louisiana [Mr. ELLENDER] that, for myself, I will give heed to the President's words, as set forth on the second page of the transcript of the evidence—namely, that the funds provided in this mutual aid bill are needed for the defense of our country.

I would prefer to err in the direction of voting against other expenditures, rather than to err in the direction of voting against the expenditures proposed by means of the pending bill.

Mr. DIRKSEN. Mr. President, let me say to the distinguished Senator from Ohio [Mr. LAUSCHE] that, if my memory serves me correctly, it was just 40 years ago this month that I was on the western front, in World War I, as a soldier. Since that time, at least a score or more of nations have gone down the drain, and have lost their identity. So far as I know, they did not lose their identity because of overspending. Instead, they lost their identity because they they could not defend themselves.

At the moment, we are dealing with a proposal to cut by \$100 million the amount the Senate and the House have already agreed upon. The President requested \$1,800,000,000. In the authorization bill, the Congress made a cut—a substantial one—of \$195 million. The House made a cut of \$90 million more.

The Senate has accepted that figure; the House provided for \$1,515,000,000, and the Senate has agreed to the \$1,515,000,000.

Now the Senator from Louisiana proposes a reduction of an additional \$100 million. He does not specify where the reduction should be made; he proposes a meat-ax cut, and nothing more.

Senators can take their choice. On the one hand, we have the President; on the other hand, we have the Senator from Louisiana [Mr. ELLENDER].

On the one hand, we have the Security Council; on the other hand, we have the Senator from Louisiana.

On the one hand, we have the Joint Chiefs of Staff; on the other hand, we have the Senator from Louisiana.

On the one hand, we have the Secretary of Defense; on the other hand, we have the Senator from Louisiana.

As for me, the choice is quite a simple one to make. I intend to vote for the amount on which we have already agreed, because I think it is an irreducible minimum; and, even then, it may not be enough.



We cannot expect countries to deliver their young men to the perimeter of freedom without putting weapons into their hands. In many cases, these countries do not have the capacity to produce the necessary weapons. I have been over that trail several times in Asia, and a good many times in Europe, the Middle East, and Latin America.

I wish to make a confession—and I believe it applies to everyone who has visited those countries: One cannot visit a foreign country for 48 hours, and then, when he comes away, truly be an expert on the subject, because, at very best, in the course of such a visit one can obtain only a very superficial estimate of the entire problem.

If we go along with the amendment proposed by the Senator from Louisiana, then, among other things, it will be impossible to carry on the kind of forward planning which should be done in connection with a program that is world-wide in scope. Adoption of the pending amendment would make it virtually impossible to do the job which should be done in modernizing some of the outmoded weapons we have provided, some of which date back to World War II, and are hopelessly out of date in 1958 and 1959.

The amounts provided by the bill as it now stands are the least we can provide. These amounts have been carefully calculated.

Would we be justified at this point in making an additional cut of \$100 million, without assigned a specific reason for the cut?

O Mr. President, I am familiar with all the statements which have been made in an attempt to justify the proposed adoption of the pending amendment. But the judgment of those who have labored month in and month out on these figures is certainly to be trusted more than is the judgment arrived at on the basis of testimony hurriedly taken. I regret that, because of the scheme of things, we cannot devote more time to this subject.

I recognize that the distinguished Senator from Louisiana [Mr. ELLENDER] has performed a notable and a noble service. But the question is one of judgment.

On one side, we find the Commander in Chief, the Joint Chiefs of Staff, the Department of Defense, the International Cooperation Administration, the Security Council, and all the rest; on the other side, we find the Senator from Louisiana [Mr. ELLENDER]. I prefer to rely on the judgment of the Commander in Chief, the Department of Defense, and the others who share their view in regard to a matter which, after all, affects the defense of the Nation.

Mr. KNOWLAND. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Illinois yield to the Senator from California?

Mr. DIRKSEN. I yield to the distinguished minority leader.

Mr. KNOWLAND. Mr. President, I wish to support the position by the Senator from Illinois [Mr. DIRKSEN].

As he has pointed out, in connection with the pending amendment, the amount reported by the Senate Appropriations Committee is precisely the same as the amount provided in the bill as it was passed by the House of Representatives. That amount had already been reduced to the danger point, in view of the Joint Chiefs of Staff and the Defense Department.

Mr. President, in order that Senators may make no mistake about the matter, I read now a dispatch which came over the wire service only a short time ago:

Communist Chinese shore batteries poured a massive barrage of 55,000 to 80,000 high-explosive shells on the Nationalist Chinese southern group of Quemoy Islands tonight.

Mr. President, I know of nothing which would give more encouragement to the Communist Chinese to move against Free China, Korea, and Southeast Asia than the receipt of word that today the Senate of the United States—in the face of the tense situation which exists in that part of the world—reduced by \$100 million the amount of the appropriation for this item, which deals with military assistance to nations with which we are allied in mutual-security pacts.

Therefore, Mr. President, I hope the amendment submitted by the Senator from Louisiana will be rejected.

Mr. THYE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. THYE. Mr. President, much as I think of the distinguished Senator from Louisiana [Mr. ELLENDER]—who is one of the hardest working members of the Appropriations Committee—I believe that in this instance the Senator from Louisiana has taken an incorrect position.

Therefore, Mr. President, I shall support the view of the distinguished minority leader [Mr. KNOWLAND] and of the distinguished Senator from Illinois [Mr. DIRKSEN], who believe that the Senate should support the amount agreed to in connection with the authorization bill, which amount is provided in the pending bill.

Mr. President, in connection with this question, we must also consider the fact that the House is ready to adjourn. Under the circumstances, I do not know how a conference could be obtained with the House.

For that reason, in addition to the real necessity for the fund set forth in the pending bill, I urge that the amount provided by the bill, as reported by the committee to the Senate, be approved, and that the amendment submitted by the Senator from Louisiana [Mr. ELLENDER] be rejected.

Mr. DIRKSEN. Mr. President, I yield the floor.

Mr. CHAVEZ. Mr. President, I, too, am a member of the Appropriations Committee; and I, too, took an oath of office, as a Member of this body, just as did the loyal and patriotic Senators who are opposing the amendment which has been submitted by the Senator from Louisiana [Mr. ELLENDER].

I know the history of the amendment of the Senator from Louisiana. The

committee previously acted on it, and the committee did not regard it as a sacred thing. The amendment was proposed in the committee; and the members of the committee were not unanimous in their attitude on it; among the committee members, there were differences of opinion.

The motion of the Senator from Louisiana was defeated by a majority of only one of those attending the committee meeting. So I do not see any reason whatsoever to take the Senator from Louisiana to task because he dares to come on the floor of the Senate and offer an amendment which was lost in committee by only one vote.

I am willing—and I think the people of the United States are willing—to go the limit to feed people who are hungry. But I know there are people by the millions in the United States who do not want to provide guns to France so they will kill Algerians in North Africa, or to provide guns to anyone else so he may kill. That is the only difference. Some of us think we should go as far as we can to feed hungry people, but not to give guns to people in order that they may kill. That is the whole question involved.

It is my purpose, as a member of the committee, to support the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I do not wish to detain the Senate more than a few minutes. I merely desire to make it plain that, on a program which was to last 4 years, in which expenditures were to be \$18 billion, we have, through June 30, 1957, actually spent \$60 billion. The estimates, through June 1958, show that there will be added to that amount by that time \$3½ billion, making a total expenditure, through June 30, 1958, of \$63,592,571,000 on foreign aid.

Mr. President, I wish to say to the Senate that besides the appropriations we are now being asked to make, there is still an unexpended balance of \$5,466,338,000. In other words, the amount we have already spent, plus the amount appropriated, plus that unspent balance, aggregates \$69,058,909,000 for foreign aid, through June 30, 1958.

Mr. President, I ask unanimous consent that the table I have in my hand be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:



Net U. S. Government foreign grants and credits since July 1, 1945

[In thousands of dollars]

	Obligations
Military through June 30, 1957...	20, 057, 267
Economic and other (including Public Law 480) through June 30, 1957.....	39, 940, 304
Grand total.....	59, 997, 571
Through June 30, 1957.....	59, 997, 571
Estimated expenditures, fiscal year 1958.....	3, 595, 000
Total through June 30, 1958.....	63, 592, 571
Unexpended at June 30, 1958....	5, 466, 338
Total aid through June 30, 1958.....	69, 058, 909

Source: Office of Business Economics, Department of Commerce. Data through June 30, 1958, unavailable. However Treasury reports mutual security program military expenditures for fiscal year 1958 at \$2,176 million and nonmilitary as \$1,419 million.

Mr. ELLENDER. For the military assistance program, the one we are now talking about, there is now on hand an estimated unexpended balance, as of June 30 of this year, of \$3,568,157,000. That money is there and available to be spent.

Even if my amendment prevails, there will be added \$1,415,000,000, to that amount which will make in excess of \$5 billion available to be spent in the military program during the current fiscal year.

The amount we are being asked to appropriate provides many millions more to be spent on our so-called NATO friends in Western Europe, countries whose industrial capacity has been increased more than 166 percent over pre-war.

Mr. President, it strikes me that most of these countries are well able to take care of themselves. Why should we give assistance to Belgium? I wish I could state the amount. The amount is in this statement, but I am precluded from stating it because it is a secret figure. We are called upon to give borrowed money to a little country like Belgium, which is able to take care of itself, in order to assist them.

Mr. President, I repeat, if the amendment which I have presented is agreed to, the military program will not suffer. Those administering the program will still have in excess of \$5 billion to spend. I ask, I plead, that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. YOUNG (when his name was called). On this vote I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], and the Senator from Florida [Mr. HOLLAND] are absent on official business.

On this vote the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting the Senator from Mississippi [Mr. EASTLAND] would vote "yea" and the Senator from Florida [Mr. HOLLAND] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent because of illness in his family.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from New York [Mr. IVES], and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

The pair of the Senator from New Hampshire [Mr. BRIDGES] has been previously announced.

On this vote, the Senator from Indiana [Mr. JENNER] is paired with the Senator from Maine [Mr. PAYNE]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Maine would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from West Virginia [Mr. HOBLITZELL]. If present and voting, the Senator from Nebraska [Mr. HRUSKA] would vote "yea," and the Senator from West Virginia [Mr. HOBLITZELL] would vote "nay."

The result was announced—yeas 36, nays, 45, not voting 15, as follows:

#### YEAS—36

Anderson	Frear	McClellan
Bible	Fulbright	Morse
Byrd	Hill	O'Mahoney
Case, S. Dak.	Johnston, S. C.	Proxmire
Chavez	Jordan	Robertson
Church	Kefauver	Russell
Cooper	Kerr	Sparkman
Cotton	Langer	Stennis
Curtis	Long	Talmadge
Dworshak	Magnuson	Thurmond
Ellender	Malone	Williams
Ervin	Mansfield	Yarborough

#### NAYS—45

Alken	Hayden	Mundt
Allott	Hennings	Murray
Barrett	Hickenlooper	Neuberger
Beall	Humphrey	Pastore
Bennett	Jackson	Potter
Bush	Javits	Purtell
Capehart	Johnson, Tex.	Revercomb
Carroll	Kennedy	Saltonstall
Case, N. J.	Knowland	Schoeppel
Clark	Kuchel	Smathers
Dirksen	Lausche	Smith, Maine
Douglas	Martin, Iowa	Symington
Goldwater	McNamara	Thye
Gore	Monroney	Watkins
Green	Morton	Wiley

#### NOT VOTING—15

Bricker	Butler	Eastland
Bridges	Carlson	Flanders

Hoblitzell	Ives	Payne
Holland	Jenner	Smith, N. J.
Hruska	Martin, Pa.	Young

So Mr. ELLENDER's amendment was rejected.

Mr. KNOWLAND. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "8-20-58-B."

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 2, line 8, it is proposed to strike out "\$790,000,000" and insert in lieu thereof "\$740,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. JOHNSON of Texas. Mr. President, may we have the yeas and nays ordered on the amendment?

The yeas and nays were ordered.

Mr. LANGER. Mr. President, I have always voted against foreign aid since I have been in the Senate. I have prepared a statement which I ask unanimous consent to have printed in the body of the RECORD following the remarks of my distinguished friend from Louisiana [Mr. ELLENDER].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR LANGER

It is sometimes easy to understand why the American people may have lost complete confidence in the Department of State, and sometimes in the Congress itself. It is in measures like this Mutual Security Act where it sometimes seems we do not seem to know, or care, what happens.

In the course of the debate on this appropriation bill, we shall hear just a few arguments. The arguments will revolve around the program of the President, the necessity of doing this in a free world, or the call of economy.

The Committee on Appropriations considered this bill for the most part in executive sessions. About the only thing the American people had opportunity to hear were the threats by the President against any cuts in his foreign aid requests, and of a special session unless we do exactly as he asks. I would be willing to have a special session on this bill alone in order that we might air it to the United States and to the world.

The secrecy is largely the fault of the Department of State. I can say this advisedly because it also happens frequently before the Committee of Foreign Relations, of which I am a member. Truthfully, the Department of State plainly and frankly doesn't want one country to know what another is receiving in economic or military assistance, or why it receives it. The net result is that not only is the whole program, and its effect, kept from those we try to help, but even the American people do not know what they are paying out billions for. I put this question to the people of my State, and it was defeated 3 to 1.

I think the whole thing should be thrown right out into the open, and the Members of



the Congress should openly fight for or against what they really believe. I think it vital that each country know exactly what and why another country gets certain financial assistance and certain programs, and more importantly, that the American people know too.

The opinions of those sitting right above the clock, and who sell their opinions for a nickel or a dime ought not to supply the nerve or the fear in the Members of the Senate. The newspaper editors of the United States of North Dakota have never worried me, or caused me to swerve from what I thought I ought to do. I have never hesitated to tell them freely and frankly—that is the truth as I see it.

It does not surprise me to see that Time, Life and Fortune hastened to smear the entire membership of the Congress in connection with the Adams-Goldfine situation in an effort to erase any ashes from the office of the President and the administration. I don't know why so many Republican Members of the Congress concern themselves over their failure to be able to personally contact the White House. They can read Time or Life any week and get the official White House policy. If any of us voted according to the dictates of Henry Luce, he wouldn't get many votes either. I can only suggest that any man who controls news media like Time or Life, can hardly be impartial in the field of foreign affairs. By the same token, if you read the New York Times only, within 4 weeks you wouldn't know what was going on in these United States.

Mr. President, it is my reluctant duty to call attention to the fact that we have before us a bill appropriating money from the United States taxpayers which contains one item for which there has been no justification or question. It is the item continuing the \$120 million credit program to Venezuela for strictly military equipment.

This credit, most lavish of all in the hemisphere, was begun in 1956, and has continued each year, limited only to \$25 million in any one year. Mr. President, since you were down there in your role of Vice President of the United States and harvested the greatest insults heaped upon America in my memory, you are aware of the fact there has been a complete change of government in Venezuela since 1956, and not for the best either, I might suggest. I should imagine someone would have wanted to reappraise the entire program.

It is my understanding that no one from the Department of State testified during the executive hearings of the Appropriations Committee on whether or not the program should be dropped or canceled. The Department of State never raised the question, and I am reliably advised it never raised the question in Venezuela. I was informed no member of the Appropriations Committee raised any question either. So here we have a \$25 million a year item for a country which has not said if it wants it, based upon no justifications for this year, and continued with a governmental structure which no longer exists, and probably for a purpose which no longer exists. I say we are careless about this mutual security bill; that we do not know what is in it. I do not lay this blame to the Appropriations Committee, because after all the committee is there to hear requests from the President and to make inquiries into those requests.

But, I should imagine that the Congress would have cared enough about the Venezuelan incident to rip out everything in the bill for Venezuela and simply start all over again on a new course with that country and in light of the new government.

There were a number of outraged speeches in the Congress to withdraw mutual security funds from the Dominican Republic when some movie actress chose to use the mutual security debate and her appearance

in a Washington nightspot as a means of some good personal publicity, whether accidental or planned, because of a gift. But, when Mrs. Nixon is spit upon, when the Vice President of the United States and the presiding officer of the United States Senate is insulted, we don't even bother to ask questions about that appropriation. Neither did any of those crusading editors, who compete for prizes for what they can dig out of some corner that was overlooked.

Do we know, Mr. President, if this Venezuelan Government wants, or should have, the credit program for military equipment. The last purpose for which it went to my knowledge was for cargo aircraft for the Air Force.

While on the subject of Venezuela, Mr. President, let me point out that for some 8 years the former President of Venezuela, R. Betancourt, languished in the United States in exile, and while under our protection fomented unrest in the hemisphere. There were no outcries he be returned to Venezuela to be strung up by his heels. It may be remembered that it was General Marcos Perez Jimenez who headed the junta which ousted Betancourt and the Communists. It is not surprising that today Venezuela is demanding the return of General Jimenez. I am inclined to resist any and all efforts to return him to Betancourt, or to interfere with his asylum in the United States. It is curious to note that Betancourt's brother is the registered agent here for the Cuban rebels.

I have pointed out some carelessness, Mr. President, and I now believe it our duty, the duty of the Committee on Appropriations, to move to strike out Venezuela from the bill. This will make sense in this hemisphere and in the world; it will uphold the dignity and honor of the presiding office of the United States Senate, and cause other nations to reappraise their attitudes and their cooperation.

Loans and assistance alone, Mr. President, will not create the favorable conditions which we have set our sights upon in this mutual security program. If they did, then with this, most lavish of all in the hemisphere, the Vice President would have been met with flower strewn paths and honor rather than spit and vilification. With mercy, we need firmness, and we need complete understanding and objective.

Unless there is some personal planning and objective put into this mutual security program, there is a far more simple and just as sense making way to appropriate the American taxpayers' funds.

Each country can provide facts on its economy, its needs, and its problems. The information can be fed into a State Department Univac, watched over by three members of the Congress, and out of this machine will come a methodical but indifferent calculation of what each country ought to have. But, Mr. President, we cannot be indifferent in something as expensive and vital as this. The Senate must show Venezuela's ruling government officials and her party leaders, and must show the world, that the Senate is not indifferent.

#### THE NATO SCIENCE PROGRAM

Mr. JACKSON. Mr. President, we are finally making practical progress in programs to improve the development and utilization of scientific and technical talent in the NATO community. The Mutual Security Appropriation Act before us will be the general source of funds for the initial support of the NATO science program, including two projects which are of special concern to me.

These two projects are the NATO-wide fellowship-scholarship program

and the advanced-study institutes program.

Mr. President, on November 20, 1956, at the Second Conference of Members of Parliament from the NATO countries, I proposed the setting up of a special committee on scientific and technical personnel to make recommendations on how NATO countries might more effectively develop their potential scientific and technical talent. I ask unanimous consent that the text of that resolution be inserted at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SECOND CONFERENCE OF MEMBERS OF PARLIAMENT FROM THE NATO COUNTRIES—RESOLUTION PROPOSED BY SENATOR HENRY M. JACKSON (UNITED STATES OF AMERICA), ADOPTED AT THE FINAL SESSION OF THE CONFERENCE

Whereas the parties to the North Atlantic Treaty have agreed "separately and jointly, by means of continuous and effective self-help and mutual aid" to "maintain and develop their individual and collective capacity to resist armed attack" and to "encourage economic collaboration between any or all of them";

Whereas the capacity of NATO to resist armed attack and to continue that economic growth which is the cornerstone of its freedom depends in large part upon the development and use of its existing and potential scientific and technological talent; and

Whereas there is evidence that members of NATO may not have directed sufficient energy either (a) toward the maximum utilization of existing scientific and technological talent, or (b) toward the development of new talent: Now, therefore, be it

Resolved, That this Second Conference of Members of Parliament from the NATO countries:

1. Establishes a Special Committee on Scientific and Technical Personnel to consist of one representative from each state participating in this Conference;

2. Requests such Special Committee, the Chairman of which shall be designated by the President of the NATO Parliamentary Conference, to submit to the next session such findings and recommendations as it deems appropriate with respect to:

(a) The present situation with respect to the training of scientific and technological personnel in the NATO countries;

(b) The relationship between NATO utilization of its existing potential resources in this field and the utilization of similar resources by the Soviet bloc;

(c) The development of resources of scientific and technological personnel sufficient to enable the NATO countries to maintain their individual and collective capacities to resist armed attack and to continue their economic growth essential to their strength and well-being.

3. Requests the parliaments of states members of NATO, as well as the executive agencies of those states, to assist the special committee created by this resolution in its study.

Mr. JACKSON. Appointed chairman of the Parliamentary Committee on Scientific and Technical Personnel, I undertook to prepare a report in accordance with the resolution. In preparing that report I had the full cooperation of the executive branch and the advice and support of a distinguished group of American scientists, educators, and industrialists. The advisory group was composed of the following members: Dr. Detlev W. Bronk, president, National



Academy of Science; Dr. Richard Courant, director, Institute of Mathematical Sciences, New York University; Dr. David Griggs, professor of geophysics, Institute of Geophysics, University of California, Los Angeles; Mr. Eric Johnston, president, Motion Picture Association, Chairman of the International Development Advisory Board; Dr. J. R. Killian, Jr., then president, Massachusetts Institute of Technology; Mr. Kenneth Mansfield, assistant to the general manager, nuclear division, Combustion Engineering, Inc.; Dr. Maria Geoppert Mayer, professor of nuclear physics, the Enrico Fermi Institute for Nuclear Studies, University of Chicago; Dr. Rubin F. Mettler, program director, Air Force IRBM program at the Ramo-Wooldridge Corp., Los Angeles, Calif.; Dr. Howard A. Meyerhoff, Executive Director, Scientific Manpower Commission; Mr. David Sarnoff, chairman of the board, Radio Corporation of America; Dr. Edward Teller, then associate director, radiation laboratory, University of California, Berkeley; Dr. John A. Wheeler, professor of physics, Palmer Physical Laboratory, Princeton University.

Dr. Wheeler served as chairman and Mr. Mansfield as secretary of the advisory group.

Thanks to the help of this distinguished Advisory Committee, as well as advice from members of the international NATO Committee, I filed a report with the Third NATO Parliamentarians' Conference in November 1957 entitled "Trained Manpower for Freedom." That report, with a few amendments, was unanimously adopted by the Conference.

In that connection special recognition should be given to the excellent work of four of my distinguished colleagues at the Conference, Senator GREEN, Senator KUCHEL, Representative CORBETT, and Representative FRANK SMITH.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD major portions of that final report.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

TRAINED MANPOWER FOR FREEDOM—EXTRACTS  
FROM THE REPORT BY THE COMMITTEE ON  
THE PROVISION OF SCIENTIFIC AND TECHNICAL PERSONNEL IN THE NATO COUNTRIES  
THE PROBLEM

The member states of NATO confront a genuine crisis in the form of serious shortages of skilled scientific and technical manpower.

This shortage is due above all to the scientific revolution through which the world is now passing.

Useful atomic power automation, and the thousand and one other practical applications of the scientific discoveries of the past 50 years can raise standards of life throughout the world to a new plateau.

At the same time, this revolution has immensely complicated the problem of resisting military aggression. The NATO community must be able to defend itself against ballistic missiles, nuclear bombs, and an entire panoply of other new weapons systems.

The scientific revolution has created an unprecedented demand for qualified scientists and engineers.

Only with more trained managerial and technical manpower can NATO take full advantage of the new opportunities for industrial progress and economic well-being. More and better skills will also be needed if the Atlantic nations are to continue their historic role of the chief exporters of science and technology to the underdeveloped areas of the world.

The need for more skilled personnel is underlined by the Soviet military and educational effort. Scientific manpower is being graduated in the Soviet Union at a present per capita rate approximately twice that of the NATO community as a whole. Russia now turns out more scientifically trained people than any Western nation, and is accelerating the output at a higher rate than any nation. Furthermore, Soviet instruction is of high quality.

The fact that the Soviet Union was the first to launch an earth satellite is proof enough of their great technical competence.

One fact requires emphasis, however. NATO would need more trained manpower even if there were no Soviet Union and no defense effort. The root causes of the shortage are long term in nature. They stem from the scientific revolution itself, and its technological consequences.

To realize the full promise of the scientific revolution NATO must solve a triple problem. There is the problem of quantity—how to increase the total number of qualified scientists and engineers. There is the problem of quality—how to discover and nurture the truly exceptional talents, the Maxwells, the Fermis, and the Bohrs of coming generations. There is the problem of utilization—how to employ our technical manpower in the most efficient manner.

ENDS AND MEANS

The long-term goal should be this: No barriers to the development of talent. Nothing is more precious. It is the greatest resource of the State and of the free world community. It should be sought out and nurtured.

Every qualified young person within the NATO community who wishes for a career in science and engineering should be encouraged to try for one, and should be able to secure the necessary education. Yet today in all NATO countries, countless young people with marked ability for scientific and engineering careers end their education with the secondary school.

In many cases, students do not have the money needed to complete their education. In other cases the incentive to go further is absent. In some countries artificial social barriers hold back students of great native ability.

A similar need for more open doors to opportunity, of course, exists in the humanities and the social sciences. This report, however, is confined to the problem of scientific manpower.

The goal of "no barriers to talent" may not be reached for decades, or even generations. Before the goal is reached a whole new public philosophy toward science and technology may be required. Far more than they are today, the teaching and practice of science and engineering must come to be regarded as among the greatest human callings.

We should never lose sight of the long-term goal. Meanwhile, however, we confront the immediate problem—how to take additional practical steps to remedy the manpower shortage.

Governments can do much to help, but by no means all. Over the long run, it is the people themselves who will decide the success or failure of corrective measures. It is the people themselves, as parents, who must take major responsibility in encouraging gifted young persons to follow careers in science and engineering. Over and above all else, it is the people themselves, and not

their governments, who must create a social climate in which intellectual exploration is recognized as a great odyssey of the human spirit.

We should not exaggerate the potential contribution of cooperative international measures. International agencies cannot assume the primary responsibility for official action in this crisis; that must be accepted by national governments.

Without exception, the member states have begun remedial programs. In each country, the problem has a different specific form. Some countries particularly lack technicians. In others, basic science is relatively strong, and applied technology comparatively weak. In still others, women graduates in science find difficulty in securing appropriate employment; in yet others, educational facilities in the form of inadequate laboratories are the greatest single obstacle to progress. Most NATO countries report a shortage of science teachers in secondary schools and universities.

In almost all the NATO countries there are numbers of qualified scientists who could be utilized more effectively than at present.

It is important that national programs be supplemented and assisted by cooperative international actions. However, the resources available to the North Atlantic Treaty Organization are limited. They should not be dissipated on projects, however meritorious, of secondary importance. Our practical problem is to get the maximum benefit out of these resources.

Ideally, NATO activities should be catalytic in nature. That is, they should aim at initiating chain reactions which extend over the broadest possible scientific and technological front.

By the same token, we believe that the resources available to NATO should primarily be used to support and broaden the work of existing schools, research centers, and agencies in this field, rather than to create wholly new institutions.

Therefore, this report makes the following recommendations:

PART I

Recommendations

1. An Atlantic community talent development program: It is recommended that there now be established a NATO-sponsored and NATO-financed talent development program, designed to produce annually at least 500 doctoral degree holders with research experience in the fields of maximum importance for the defense and economic well-being of the NATO community.

Certain disciplines are today of overriding importance for the future of the NATO community—both for strengthening our military defenses and for promoting technological progress. Among these fields are applied mathematics, aero and fluid dynamics, basic electronics, nuclear physics, solid state physics, physical chemistry, and metallurgy.

Last year, American universities awarded a total of less than 450 doctors of philosophy in these fields. The number of comparable degrees granted in Europe was apparently considerably smaller.

A relatively small number of additional trained people of outstanding talent in these disciplines could have the catalytic effect which we deem so important.

Three obstacles now exist:

- (1) Too few qualified instructors;
- (2) Too many students with great potential leaving school before receiving advanced training; and
- (3) Inadequate laboratory facilities in the schools.

An Atlantic community talent development program should be designed to produce annually 500 doctoral degree holders in the fields of greatest importance for the defense and welfare of the NATO community. The



doctoral degree, as used here, would require 2 or 3 years of research work, a thesis and an examination on the thesis.

Such a program would give financial assistance to students, in the form of fellowships, and to universities in which the fellows enrolled, in the form of special development grants to help improve teaching facilities. Atlantic Community fellows could be selected through a NATO-wide competition patterned after the Rhodes scholarship plan. Regional nominating boards might be established in each country, and final awards would be made by a NATO-wide group.

It might be desirable to establish two types of fellowships. One would be granted at the equivalent of the American freshman year in college and would be renewable annually until the fellowship holder received his doctorate. The other would be awarded at the level equivalent to the first year in an American graduate school, and would also be renewable. Each type of fellowship program might be geared to produce 250 doctors of philosophy annually.

The awards might range from \$500 to \$3,000 annually for each fellow, depending on his age and training.

Fellowships granted to students coming directly from high school would presumably pay less than those for more advanced students. Younger students would also presumably be left as free as possible in their choice of scientific fields.

At the same time that each fellowship was awarded, a special development grant would be made to the university in which the student enrolled. Depending upon the cost of facilities and instruction and the field chosen, such grants to universities might range from \$1,000 to \$4,000 per each fellow enrolled.

Since the manpower shortage problem is most acute in Europe, the large majority of the fellowships should be awarded to European students, for use primarily in European universities.

Atlantic Community fellows, other factors being equal, would choose to study at the leading European center for their particular discipline. The grant to the university associated with each fellowship would enable the institution to strengthen its facilities and improve its faculty still further. In time, this program could encourage the development of truly outstanding centers in each of the fields to which the program is applicable.

We estimate that this talent development program, in full operation, would cost a total of between \$8 million and \$10 million annually.

At the very outset, this program would probably be financed very largely by contributions from NATO itself and from the member governments. However, industry and privately endowed foundations could also be encouraged to make grants.

2. An awards program for teachers and students in secondary schools: It is recommended that NATO sponsor and finance an annual awards program in mathematics or science for outstanding secondary school students, together with their instructors.

Many authorities maintain that the root cure of the scientific manpower problem lies in attracting more qualified students into mathematics and science at the level of the United States high school. One important way of accomplishing this is through raising the quality of instruction, since behind every good student there is a good teacher.

In order to give both teachers and students in the secondary schools an additional incentive for effort and excellence, it is proposed that NATO sponsor an annual competition, which would give monetary awards to outstanding students, together with their instructors.

For example: An annual mathematics competition could be established. Students of a designated age level would take na-

tional examinations of uniform difficulty. Those scoring highest nationally would then be eligible to compete for grand prizes in a NATO-wide contest. Five thousands prizes of \$300 each would be provided, together with perhaps 100 grand prizes of \$1,000 each for the overall NATO competition. Each prize would be divided between the student and his teacher, with perhaps one-half going to the teacher or possibly to the school. The total cost of such a program would approximate \$1,600,000 annually. This NATO-wide mathematics awards program is considered a minimal one. We would hope that each of the 15 members of NATO would follow through with its own program of awards.

Such a NATO-wide competition could be applied in other fields, for example, in physics, and awards could be granted for general attainment in the sciences. Whatever specific form the competition took, certainly for relatively modest outlays of money, it should help to raise the level of instruction and study in our secondary schools.

It may also be desirable to develop other positive means to stimulate interest in science at the high-school level. For example, book prizes long have been a feature of many secondary schools with high traditions of training. Members of NATO might experiment with student award programs which take the form of a distribution of outstanding monographs on science.

3. Summer study institutes: It is recommended that immediate steps be taken to increase the number and variety of summer study institutes within the NATO community, in order to extend the influence of outstanding scholarly talent in fields now hampered by a shortage of teachers.

The summer study institute has been an important postwar educational development both in North America and in Europe. More than 100 institutes concerned with mathematics, the sciences, and engineering have been held this year in the United States, 96 of which were supported by the National Science Foundation. Two typical European summer study institutes are those at Les Houches in France and Varenna in Italy. The former, sponsored by the University of Grenoble and the French Ministry of Education, offers summer seminars in modern physics. The latter, sponsored by the Italian Physical Society, the Ministry of Education, and Italian industry, holds summer seminars in different fields of physics each year.

Summer institutes serve different purposes. One gives advanced training to graduate students in specific disciplines; another brings together mature research scholars for a summer-long seminar in particular scientific problem areas; yet another offers refresher courses in science or mathematics to secondary school or college teachers.

Unlike more ambitious undertakings, the institutes are relatively easy to establish. They focus on one problem area; their enrollments are limited; they are held at places where study and recreation can be combined; they attract a more international student body and faculty than is customary for an ordinary graduate center; they are administered by existing organizations; they meet during the academic vacation period when university instructors are free of their normal duties.

Several additional institutes should be established, both in North America and Europe, by the summer of 1958, and the number of institutes could be increased in succeeding years. Nuclear engineering, applied mathematics, solid state physics, agriculture, fisheries, and medicine are natural fields of study for such existing and new institutes. These institutes would be staffed and attended by professors, research workers, and highly qualified young students from

throughout NATO and other European countries.

Summer institutes might also be held (1) in the learning and teaching of mathematics, for secondary school and university teachers; (2) in methods of acquainting young people with the world of science, for public opinion leaders in NATO countries, and (3) in managerial techniques, for key personnel in industry, education and government.

It should be possible to rely chiefly on existing institutions in setting up the summer programs. Qualified centers would be invited to submit proposals for summer study programs, and these proposals would be evaluated on the basis of the competence of the proposed teaching staff and the adequacy of the available facilities. Also, the institutes could be administered by existing centers, for example, under the general sponsorship of the National Science Foundation or the Academy of Sciences in the United States, and by their counterpart organizations in the other NATO countries.

Since many outstanding younger students would find it financially difficult to attend summer institutes, consideration should be given to a scholarship program, with modest stipends, for predoctoral students. Funds for such scholarships might come, in part at least, from nongovernmental sources.

The idea of a European-wide center of postgraduate studies—internationally staffed and financed and drawing to it the finest students in Europe—has long excited the imagination of scholars on the Continent.

In time, it may be practical and desirable to establish a postgraduate school, which could constitute a NATO center for advanced technology. Such a center might evolve organically from less ambitious NATO-sponsored activities in the manpower field. Several years of preparatory planning, however, would probably be necessary.

At present, it seems best to place primary emphasis on programs along the lines of those proposed in this report, which would strengthen existing centers of study. It is estimated that \$100,000 would be a sound initial NATO contribution for the summer institute program. This fund would be supplemented by funds from private foundations and other sources and would permit the immediate planning of at least two key institutes in the summer of 1958.

4. International exchanges of scientific and technical personnel: It is recommended that NATO member states expand their international exchange-of-persons programs involving scientists and engineers and advanced students, and in this connection, enter into agreements to mutually recognize equivalent degrees.

The value of this program has already been fully demonstrated. A vastly stepped-up program is now required.

Personnel exchanges and foreign visits are generally designed to serve an educational purpose in the broad sense. They may serve to familiarize the technically trained visitor with new discoveries and techniques which may then be applied more widely. In the narrower academic sense, many thousands of students from NATO countries receive their scientific and, especially, technological training outside their home country.

Under present Government programs the exchange of civilian scientific and technical personnel among NATO countries is relatively small. Personnel in the humanities, the social sciences, and art, predominate.

Expanded programs of exchange of scientists and engineers would have the immediate advantage of improving the usefulness of persons already recruited for scientific work.

For example, it is suggested that particular attention be given to expanding exchanges for post-doctoral students who are just beginning their careers. This is a critical period when many excellent people are lost



to their chosen field. Stimulating contact with the best experience abroad could help open their eyes to the importance of the contribution they may be able to make.

The exchange-of-persons programs will be aided if prompt steps can be taken by NATO countries to recognize equivalent degrees.

5. Cooperative project research under NATO sponsorship: It is recommended that NATO sponsor and finance additional important cooperative training and research projects which particularly lend themselves to international action.

Seven years ago the NATO-sponsored and NATO-financed Advisory Group for Aeronautical Research and Development (AGARD) was established to invigorate the study of aerodynamic theory within the NATO community. Leading scientists and engineers from all the NATO countries participate in the organization and technical panels of AGARD. Its next general conference will attract 400 to 500 representatives from throughout NATO. Following an AGARD recommendation, a training center for experimental aerodynamics was established in Brussels. This center, supported directly by NATO, brings together outstanding teachers and graduate students from the entire NATO community, and it has functioned with outstanding success.

The precedent of the aerodynamic training center should now be extended to other training and research problems when it can clearly be shown by scientific opinion that cooperative international action is appropriate. A long-term program of cooperative meteorology research, under contract to NATO, is an example of a project deserving further consideration.

In a few fields, it might be necessary to establish new training centers. Wherever possible, however, such NATO contract support should be given to established all-European study centers in fields relevant to military defense and economic progress, as leaders in such fields of study come forward with concrete and outstanding proposals.

6. A European-wide Employment Clearing House: It is recommended that a European-wide employment clearing house for scientists and engineers be established.

One of the most serious practical problems faced today is equating the supply of scientific skills with the demand for these skills. In the highly industrialized parts of the NATO Community, demand for highly trained technical manpower exceeds supply. But in other areas, there is underemployment or actual unemployment for scientists and engineers, particularly those just finishing their training.

One obvious way to help remedy this situation is through a European-wide scientific and engineering employment clearing house. The employment rosters of American scientific societies offer a precedent for such a clearing house.

The goal would be to assemble in one register, and at one place, a list of employment opportunities available throughout Europe, together with a list of qualified applicants for such positions.

Once such a register was prepared, and kept current, industry, the universities, research centers, and technical personnel would, beyond question, find it of great usefulness.

7. The role of industry: It is recommended that industry give a greater support to academic institutions by making scientists and engineers in its employ available for teaching and assignments in secondary schools and universities, and by helping sponsor and staff summer teaching and research institutes.

There has been a traditional barrier between science in the university and science in industry. The campus has been the home of pure research, with industry the home of applied research and technology.

Commonly, there has been little comingling between the two.

In a few countries, this traditional barrier is now breaking down. For instance, more than one-half of the advanced-degree holders in science and engineering in the United States are today working in industry. In a few countries industry is now lending schools heavy support through contracts for on-campus research, and grants for new professorial chairs, additional facilities, and scholarships and fellowships. In return, schools are giving industry much needed assistance through such means as consulting services.

This exchange between the schools and industry is mutually profitable, and is much to be encouraged.

Industrial companies could make a regular practice of granting sabbatical leaves to selected scientists and engineers in their employ, and loaning them for full-time teaching assignments in colleges, universities and secondary schools. Further, industry could immediately help sponsor and staff summer teaching and research institutes.

8. Maintenance of national remedial manpower programs: It is recommended that the member governments be invited by the NATO Council to maintain appropriate programs for remedying the manpower problem on the national level.

Toward this end they should be invited to do the following:

(a) wherever possible encourage and stimulate higher standards of scientific training;

(b) initiate, expand and continue their studies of scientifically and technically trained manpower, with particular reference to numbers, employment, utilization, and their future needs;

(c) request their appropriate educational authorities currently to review the adequacy of their educational facilities for providing scientific training, especially in view of the growth of populations and of the demand for education on the part of large numbers of people, and annually (or at some other frequent and regular interval) hereafter to prepare for NATO a report on progress made in this field;

(d) request their appropriate educational authorities to determine whether enough time is now devoted to the study of mathematics and science at the high school level;

(e) examine the supply and training of teachers in technical fields; and

(f) give wide public currency to their findings.

9. An informed public opinion: It is recommended that the NATO Parliamentary Conference, the NATO Council, the member governments, and all nongovernmental bodies concerned, maintain a continuing and vigorous program to focus public attention on the necessity of remedying the manpower shortage problem.

A successful long-term program for remedying manpower shortages must rest on wide-spread popular support. The problem will not be solved until there is a far greater public awareness of the problem's dimensions and importance.

The NATO Parliamentary Conference can itself help focus attention on the manpower problem. The Conference is composed of elective officials from the member states—legislators who are in daily touch with their constituents, and who are responsible for inviting the attention of their electorates to questions of great consequence.

There are certain practical steps the NATO Parliamentary Conference can now take:

(a) the problem of scientific and technical personnel should be given a prominent place on the agenda of each annual meeting of the Parliamentary Conference;

(b) the Special Committee on Scientific and Technical Personnel should be made a permanent and continuing body of the Conference; and

(c) The Conference should sponsor an annual stocktaking report on this entire problem. This report might be prepared in cooperation with the Organization for European Economic Cooperation and other organizations active in this field. Such a report prepared in a nontechnical and readily understandable format, would be a periodic review of progress made and problems yet unsolved in raising the quantity and quality of technical manpower. Efforts should then be made to give these annual reports the widest possible circulation.

10. Administrative questions: The problem of how best to coordinate scientific manpower activities sponsored or encouraged by NATO is difficult and important.

Obviously, these programs would have to be administered with extreme flexibility. We take it for granted that national educational authorities would be closely consulted throughout, and that due regard would be given to the particular problems of specific member states.

We doubt that NATO, as such, should be directly involved in the day-to-day administration of these matters.

The possibility of contracting out the administrative direction and coordination of these activities to some already existing academic or research organization has been carefully explored with leading authorities both in Europe and America. These inquiries have indicated that there is probably no existing organization which could assume these duties.

The best way to proceed may be to establish an Atlantic Community Foundation. The governing board of the foundation would be composed of two eminent representatives of each of the NATO countries, possibly nominated by the appropriate national academies or scientific societies. The governing board, which could meet semi-annually or quarterly, would elect a chairman, who would in turn appoint a full-time executive director plus a small administrative staff.

The foundation could work under contract to NATO, and it might also receive funds directly from member governments and from nongovernmental sources.

The foundation might find it desirable to establish its headquarters at some already existing European university or research center of outstanding reputation.

The executive director of the foundation should be selected on the assumption that his drive and good sense could be the determining factor in implementing an effective scientific manpower program in the NATO Community.

A draft administrative budget for the Atlantic Community Foundation should be developed for presentation to the meeting of the NATO Council on December 16.

## PART II

### Recommendations

1. A NATO Defense Missile Training Center: It is recommended that a NATO Defense Missile Training Center be established immediately.

Today, some of the member states are relatively familiar with the complex planning and operational problems which will be posed by the integration of defensive missiles into the NATO armed forces. Other members of our community, however, now have little acquaintance with these same problems.

A common minimum level of familiarity with these armaments is needed by our entire community. To secure this, a long, and intensive, and systematic training program will be necessary.

We, therefore, propose that a NATO Defense Missile Training Center now be established, for the purpose of handling this problem on a NATO-wide basis.

The first aim of the center would be to give NATO engineers and technicians, and



armed forces members, a better understanding of the elementary practical problems involved in the use of missiles.

Once this foundation were laid, the center might develop means for the testing of missiles employed on a NATO-wide basis. A NATO-sponsored missile training and testing range could be established, where practical experience in the use of operational missiles could be gained.

Still later, at this or other centers, basic research programs might be sponsored in scientific areas relevant to the technology of missiles and missile countermeasures. Such programs would aim at utilizing more effectively and broadly the skills of our community's scientists.

2. A North Atlantic Institute for Defense Studies: It is recommended that a North Atlantic Institute for Defense Studies (AIDS) be immediately established.

It is today more and more recognized by military leaders that effective defense planning cannot be improvised, nor done on an intuitive basis. Today, almost any specific defense mission can in theory be performed by a wide variety of different weapons systems. There is no quick and easy way to determine which of these many systems can do the job most effectively. In this missile era, ambitious programs of operational research, employing very complex and advanced scientific and mathematical techniques are required, more than ever before, to secure rational and objective answers within an acceptable time period.

Recognizing this, some of the NATO member states have established defense study centers which aim at bringing the techniques of modern science to bear on such problems. The Rand Corporation, which works under contract to the United States Air Force, is an example. Commonly, such study groups include on their staffs mathematicians, physicists, economists, and representatives of other fields of science. Commonly, also, such groups work under contract to the military but, nevertheless, possess a high degree of autonomy.

Based on experience to date, this type of defense study center performs an indispensable role in sound military planning. The need for such scientific analyses should grow progressively greater as weapons systems and defense problems become more complex.

No counterpart of such a group now exists on a NATO-wide basis. We therefore believe that a North Atlantic Institute for Defense Studies (AIDS), which could be made responsible to SHAPE, should be established immediately.

Mr. JACKSON. Mr. President, the Parliamentarians' Conference directed its standing committee to submit this report to the North Atlantic Council urging that it be brought to the attention of the December heads of government meeting.

On December 16, Secretary Dulles announced that the United States (a) was prepared to participate in, and contribute to an annual talent development program for 500 predoctoral and postdoctoral scientific fellowships, and (b) would assist in an expanded program of summer study institutes in Europe.

On December 19, 1957, the heads of governments meeting in Paris formally charged the new NATO Science Committee with responsibility for making specific recommendations on the valuable proposals put forward by the NATO Parliamentarians' Conference.

Since that time the NATO Science Committee has considered our report and at its July 9-11, 1958 meeting, agreed to recommend that the North

Atlantic Council approve a fellowship-scholarship and summer institutes program along the general lines of the Parliamentarians' Conference recommendations.

The Department of State has informed me that these two programs are the only elements of the NATO science program sufficiently advanced at this time to require a specific decision as to financial contributions by the United States. I am further informed that the United States has conditionally pledged to contribute a maximum of \$575,000 toward meeting the initial cost of these 2 projects.

It is the declared intention of the Department of State to recommend that this money be drawn from the contingency fund which is authorized by section 451 (b) of the Mutual Security Act of 1954, as amended. I have been assured that no difficulty with this procedure is anticipated since the contingency fund can properly be used to cover needs generally foreseen, the precise cost of which could not be estimated at the time of presentation to Congress.

In this connection I ask unanimous consent to have printed in the RECORD at this point a letter dated July 25, 1958, from Mr. William M. Macomber, Jr., Assistant Secretary of State.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, July 25, 1958.

The Honorable HENRY M. JACKSON,  
United States Senate.

DEAR SENATOR JACKSON: Your letter of July 21, concerning the NATO science program, refers to my letter of June 26 to Senator GREEN, and asks for additional information as to financing. As I indicated to Senator GREEN, a firm decision as to a United States contribution could not be made before the Science Committee had a chance to study working party proposals with respect to fellowship and summer institutes programs. The United States representative was authorized to support these proposals fully, however, and I am glad to inform you that the committee agreed at its July 9-11 meeting to recommend that the North Atlantic Council approve them without substantial change, subject to one reservation on the institutes program.

As agreed by the Science Committee, the fellowship program would cost \$1 million for the first year, and the United States representative was authorized to offer 50 percent of the total funds required, subject to availability of funds and subject to the willingness of other governments also to make proportionate commitments for their shares.

A similar offer was made with respect to the proposed summer institutes program (renamed Advanced Study Institutes program), which would cost \$150,000 for the first year of operation. The committee agreed to recommend Council approval of this program, subject to a United Kingdom reservation which the United Kingdom representative was fairly certain would be lifted.

These are the only elements of the NATO program sufficiently advanced at this time to call for a specific decision as to a United States contribution, but assuming Council approval, the United States is conditionally pledged as stated above to contribute a maximum of \$575,000 toward meeting the cost of these two projects. The general source of these funds would be the Mutual Security Appropriations Act, 1959. The exact source is not yet definitely decided, but

it is our present intention to recommend that the contingency fund be used, which is authorized by section 451 (b) of the Mutual Security Act of 1954, as amended. I would anticipate no difficulty with this procedure, in view of the fact that the contingency fund may properly be used to meet needs generally foreseen, but the cost of which could not be predicted with precision at the time of the congressional presentation.

The exact amount of fiscal year 1959 funds to be contributed is not yet certain, since no decision has been reached as to the handling of the advance made NATO from fiscal year 1958 funds. It was clearly understood that this advance would be taken into account when the United States considered a subsequent contribution. Of the total \$100,000 advance, \$25,000 was made available to the NATO science adviser to meet immediate needs. The balance of \$75,000 is available, but has not as yet been drawn, and may be deducted from our contribution to the fellowship-institutes programs or used for other approved projects for which a financing need is apparent before the two larger projects actually get underway.

In any case, as far as the United States is concerned, we foresee no financial problem inhibiting the development of the NATO science program. The two key projects to which your letter refers will presumably go to the Council for decision in the near future, and the United States representative there will be prepared to support them fully.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,  
Assistant Secretary.

Mr. JACKSON. Mr. President, on July 30 the NATO Council meeting in Paris agreed in principle to both the fellowship-scholarship program and the advanced studies institutes program.

The NATO Council also agreed to discuss detailed financial plans at its first meeting in October.

Meanwhile, Dr. Ramsey, NATO science adviser, has given assurances that sufficient funds are on hand to continue the basic planning for implementation of the two programs.

I am hoping by the time the NATO Parliamentarians' Conference convenes in November this year, that the fellowship-scholarship program, and the advanced-studies institutes program will have passed out of the planning stage into reality. The funds we will be voting here today can contribute to that end.

At best, however, we are only at the beginning of a full-scale NATO science program.

I believe the people of the Atlantic Community will make the needed effort for survival if their enthusiasms are engaged in great undertakings—if they feel they are building something—not simply defending something.

Improving the state of science is such a common cause, if we will only make it so. Through better science, free people can advance not only their security, but their prosperity as well.

Common scientific and technical programs within the NATO alliance will not only promote the security and welfare of the Atlantic Community. They will also assure a greater reservoir of brains and know-how for technical cooperation in Asia and Africa.

I trust this country will continue to develop and initiate bold projects to help the entire NATO Community implement a broad program of scientific and technical cooperation.



## STATE OF THE NATION'S FINANCES

Mr. MUNDT. Mr. President, last evening the senior Senator from New Hampshire [Mr. BRIDGES] had intended delivering an address in connection with the state of the Nation's finances and also to make certain recommendations.

Because of the lateness of the hour and the desirability of obtaining a vote on the debt limit bill, Senator BRIDGES decided to forego his address.

However, I obtained a copy and, because of its significance, I ask unanimous consent to have it inserted in the body of the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, on January 13, 1958, Congress received the President's budget for fiscal year 1959 which contemplated a half-billion-dollar surplus.

At the time I said that was too thin a margin for comfort. I said the surplus could easily become a deficit unless Congress held tight rein on the public purse.

Events have confirmed my worst fears.

Today, just 7 months after the budget was submitted, the Congress is no longer confronted with a surplus. We now face an entirely different and alarming situation. Instead of a slim surplus, there looms the prospect of a budget deficit of \$12 billion.

## HOW THE FISCAL PICTURE WORSENE

How in the short span of 7 months could the Nation's fiscal picture worsen so radically?

Part of the answer is sputnik.

Part of the answer is near panic inspired by a dip in the economy, which led to a rash of spending proposals in Congress.

Part of the answer is declining revenues as a direct result of the dip in the economy.

Part of the answer is enactment by this Congress of many new programs and expansion of many programs—all pointing to expenditure of large sums out of the National Treasury.

Add all these factors together and we learn why the Federal budget has mushroomed beyond all reasonableness and proportion. What is worse, I fear our red ink problems are only beginning.

In my estimation, the full impact of the downturn in the Nation's economy has not yet been felt on Federal receipts.

Further, in my considered judgment, the upturn in Government spending is just beginning.

## TESTIMONY OF BUDGET BUREAU ILLUMINATING

Mr. President, the recent testimony of the Director of the Bureau of the Budget, Mr. Maurice Stans, is very illuminating. Speaking to the Members of the House Ways and Means Committee, Mr. Stans documented the higher spending outlook. I should like to quote from page 15 of the hearings, July 30, this portion of Mr. Stans' remarks:

"1. Defense. On the basis of administration recommendations for additional authorizations and the civilian and military pay raises, spending for military functions may be about five hundred to seven hundred million dollars more than the budget estimates. This is in addition to the \$500 million for defense contingencies included in the budget.

"2. Pay raises. The cost of pay increases enacted for postal and classified employees exceed the total amount included in the budget and the expenditure impact of the retroactive provisions has come largely in fiscal 1959. Outside the Department of Defense, the extra cost is about \$400 million.

"3. Agriculture. The exceptionally large wheat crop and other factors such as changes in the outlook and programs for exports will

increase the cost of agriculture programs by perhaps as much as \$1.5 billion over the original estimate.

"4. Housing. The housing legislation already enacted will lead to increases of about \$1 billion in spending for mortgage purchases and direct housing loans to veterans. Other housing legislation is pending in Congress which would add still more to budget estimates.

"5. Unemployment benefits. The temporary program of advances to States for supplemental unemployment benefits to those workers who have exhausted their regular benefits, together with increases over the original estimates for the regular programs of unemployment compensation to veterans and former Federal employees and the grants to States for administering unemployment compensation and employment offices, are estimated to add more than \$600 million.

"6. Other increases. Expenditures for numerous other programs are being increased. A special payment of \$589 million to the civil service retirement fund is pending before the Congress. The postage rate increases fall short of the President's recommendations. Construction programs of the Corps of Engineers and the Department of the Interior have been accelerated. The new agencies for space activities and for civilian aviation will have larger programs than their predecessors. The administration recommended an authorization increase for atomic energy programs, and the action to date in Congress has raised that. The overall effect of all these various changes will be an increase of roughly \$1½ billion.

"7. Reductions. The only significant decrease from the January estimates is for interest on the public debt, because of lower interest rates. There is pending in Congress the possibility of appropriation reductions of \$500 million in military construction and an indefinite amount for mutual-security programs; however, the effect of such reductions on 1959 expenditures would be considerably less than the cut in appropriations that may eventually be made.

"These 7 categories I have reviewed add to a total increase of between \$4.5 billion and \$5 billion to the budget. You will notice that I have not included any allowance for pending legislation such as the community facilities loans bill passed by the Senate. If this and other proposals now pending are enacted, the budget could be increased by another \$1 billion or more.

"If we take \$5 billion as the total presently estimated increase over the budget, expenditures in fiscal 1959 will be \$79 billion. Thus, if we use this \$67 billion revenue estimate of the Treasury and of the staff of the Joint Committee on Internal Revenue Taxation, we would have a budget deficit of \$12 billion."

Mr. President, when Government spends more than it receives in income, as it is doing now, it makes up the deficit by borrowing—as the Government is also doing now. We all know this fact, but it never hurts to remind ourselves of this dangerous procedure.

Deficit spending plus borrowing spells inflation and more inflation. Any hope of tax relief goes out the window.

Because of the adverse spending outlook, the Congress earlier this year raised the present \$275 billion debt limit temporarily to \$280 billion. Now Congress is about to complete action on a bill to raise the permanent statutory debt ceiling to \$285 billion, plus an additional temporary hike to \$288 billion until June 30, 1959. I wouldn't be surprised if we have to raise it again next year.

Under the proposed debt ceiling the Government will be able to borrow an additional \$10 billion without violating Federal statute. Such fantastic debt will merely violate all

the laws of reason, commonsense, and sound money.

## ACCENTUATING OUR PRESENT DILEMMA

By raising the debt limit, we give legal sanction to deficit spending. What is more basic, however, is that the Congress itself is daily passing legislation to increase Federal spending, accentuating our present dilemma.

Mr. President, we all agree the survival of this Republic as a free and independent federation of States is first on our priority list. There is abroad in the world a massive threat to our way of life. Modern weapons place our home soil in jeopardy. Spending for the necessities of defense for survival is increasing. We are in a period of sharply rising military costs. Where our very existence is at stake, we would not want our defense program to suffer for lack of funds.

The fact is, however, the greatest increase in rate of Federal spending is for nonmilitary, or civilian, purposes. Domestic civilian spending in 1954 totaled \$19 billion. For fiscal year 1958, it totaled \$29 billion. It will probably exceed \$30 billion in fiscal year 1959 and may hit \$35 billion in 1960.

So far as I can see, Federal spending is on a booming upswing, with no relief in sight.

What this Congress and the past few Congresses have done is to fill the tank with high-octane fuel and at the same time remove the brakes.

## EIGHTY-FIFTH CONGRESS PLACED NO DAMPER ON INFLATION

Except for some reductions in a few appropriations measures, this Congress has not attempted to put any kind of damper on the fires of inflation.

On the contrary, this Congress has heaped live coals on embers which have been smoldering all these months during the so-called recession.

Some of the new programs inaugurated or under consideration this year by Congress will have small initial costs in fiscal year 1959. Of course, this is an argument advanced to obtain enactment. But, as these programs—housing, area development, minerals stabilization, and so on—gather momentum, costs will begin to rise sharply. Future budgets are going to be burdened with heavy spending for programs over which neither the Congress nor the executive branch will have much control.

This is primarily because Congress continues to write legislation which bypasses our appropriations committees.

Congress continues to write laws with matching-fund provisions which commit future Congresses to honor them no matter what the state of the Nation's finances at the time.

Congress continues to write laws which have inflationary features built into them.

Already this session of Congress has authorized spending of almost \$4 billion by the public debt transaction method and has under consideration more than \$1 billion additional, including the minerals stabilization bill and the national defense education bill.

For the most part, approval of expenditures under public debt financing is a perfunctory action to honor commitments already made by Government agencies. Real spending control by the President, as well as by the Congress, is virtually nil.

The power of the purse which Congress once prized and cherished and guarded as a real control over the Nation's fiscal affairs is now only a feeble shadow, with little substance.

Just 2 or 3 years ago, there was a glimmer of hope that Federal taxes might be cut. With this Congress that hope has evaporated in my opinion, at least for the foreseeable future.

The American people today are caught in a squeeze between rising prices and higher taxes. The cost of living continues to climb.



State and local taxes mount steadily upward and there is every likelihood Federal taxes of one kind or another—income taxes, social security taxes, gasoline taxes—will go up also. By whatever name these are all taxes, and they come out of the income of taxpayers.

Mr. President, it is very late in our history to try to remedy the appalling situation the country faces: continuing inflation, declining buying power of our dollar, and an ever-increasing drain on the Federal Treasury.

#### ONLY HOPE IT IS NOT TOO LATE

I only hope it is not too late. The shores of history are strewn with the wreckage of governments that failed to heed such elementary rules of fiscal behavior as: "Don't spend more than your income," and "Don't undertake commitments that will overburden the Treasury as years go by."

Yet, in justification for the many spending proposals, we are told: "This is what the American people want, need, and demand."

Mr. President, I submit the American people want, need, and demand a stable cost of living, a firm dollar, and a reversal of the high tax trend.

#### WHAT AMERICANS MUST BE TOLD

It is about time the Congress had the collective courage to tell the American people: "You can't have everything."

Some desirable activities will have to give way to those of greater urgency. The American people will have to curb their appetite for Federal services.

#### A RECOMMENDATION

Mr. President, it is not my purpose just to criticize. I have a concrete proposal to offer today.

I urge the Senate, on convening next January, to establish a Select Committee on Federal Finances and Budget which would look into the many aspects of Federal finance, such as public-debt transactions, social security and highway trust funding, direct borrowing from the Treasury, contingent liabilities, and so on.

Each Congress deals in piecemeal fashion with the legislative program. The nearest Congress comes to having a comprehensive plan before it is in the President's budget. That in itself is inadequate to give a picture of the financial condition of the Government because an increasing number of programs are beyond the purview of the budget.

The Select Committee would study our fiscal dilemma and report back to the Senate by March 31, 1959. The report would contain an analysis of the current state of the Nation's finances and the fiscal outlook, together with any appropriate recommendations.

As I conceive the task of the committee, it would gather all pertinent data on the potential extent of direct borrowing from the Treasury, for example, as well as the actual extent. In other words, the committee studies would be sufficiently broad so that the committee could advise the Senate on the outlook for several years hence. Let us at least know where we are, fiscally speaking, and where existing statutory programs would lead us for the next few years.

#### FISCAL MAGNA CARTA

I would hope the committee would come up with a kind of fiscal Magna Carta—a charter of freedom for the American taxpayer from the financial chains that bind us.

Surely, a nation that can split the atom can find ways and means to reduce the cost of government.

America is the inspiration of the world. If we were to fail—whether through military defeat or financial collapse—the world would be plunged into an era of despair and hopelessness.

It could happen.

It won't happen if we start right now to set our fiscal house in order.

Mr. President, I urge the Senate to support a proposal I have made today as a necessary step toward fiscal solvency. Coupled with a strong national defense, fiscal solvency would go a long way toward insuring our survival.

#### TEXTILE MISBRANDING

Mr. JAVITS. Mr. President, if I may have the attention of the Senator from Washington [Mr. MAGNUSON], I ask unanimous consent that the colloquy I shall have with the Senator from Washington may appear in the permanent RECORD in connection with the conference report on H. R. 469.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have had a number of telegrams in protest against the conference report because it is said it would seriously interfere with the marketing to consumers of textile fiber products. I therefore would like to ask the chairman of the committee these two questions.

In section 12 of the bill, H. R. 469, as it was agreed to in conference, the Federal Trade Commission is allowed to exclude from the provisions of the act other textile products. Does the Senator construe that to mean all textile products coming under the bill other than those exempted by section 12 (a)?

Mr. MAGNUSON. That would be my interpretation, and I believe that was the intent of Congress in the passage of the bill.

Mr. JAVITS. In view of the right of the Commission to exclude from the provisions of the act a complete textile fiber product, does the Senator believe it may also exclude from the provisions of the act yarn or fiber, which is part of the fiber textile product?

Mr. MAGNUSON. I would think that it would, and I wish to say to the Senator from New York that the Senator from Washington in the Committee on Interstate and Foreign Commerce would be the first to insist that the Federal Trade Commission in the administration of this act follow the intent of the Congress and be equitable in its provisions and applications.

Mr. JAVITS. They would be requested to make it practical?

Mr. MAGNUSON. They would make it practical rather than just picking the provisions of the act to pieces.

Mr. JAVITS. Rather than throwing the rule book.

Mr. MAGNUSON. Yes.

Mr. JAVITS. I thank the Senator.

#### MUTUAL SECURITY APPROPRIATIONS, 1959

The Senate resumed the consideration of the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, the Senator from Louisiana will make a brief statement in regard to his amendment. The Senator from California [Mr. KNOWLAND] will make a brief reply. If Senators will remain in

the Chamber, I hope we can expedite action on the bill. It must go before the Rules Committee of the House to have a rule adopted before it is acted upon by the House, and we are very desirous of getting it over there.

Mr. MAGNUSON. Mr. President, I am going to vote for a substantial and adequate amount of foreign aid. But I am beginning to have serious misgivings about Formosa in the administration of the funds allocated to this area.

It is no longer a fiction but a fact that Chiang Ching-Kuo, son of the Generalissimo, is the strong man and wields more power behind the scenes in Formosa than is realized. The power that he wields far transcends the nominal posts he holds in the Nationalist Chinese Government. The police and security forces of Formosa seem to be virtually under his control. The fact that the American Embassy and USIA offices in Taipei were wrecked on May 24, 1957, by Chinese rioters was because the man who had the power to deter the attacks apparently did not do much about it.

The humiliation of the American flag, insult to its Government officials, and the destruction of American properties began their ignominious course in a supposedly friendly country, Nationalist China, whose government owes its very life to the support given by the United States Government.

As I understand that Chiang Ching-Kuo was trained and indoctrinated in Russia for many years. Therefore, one cannot help but wonder what is his real intention and where his loyalty lies. In light of this we certainly should not squander away our aid into the hands of someone in whom we do not have full confidence. I am very glad to see that the Congress of the United States has adopted an amendment concerning the Chinese Nationalist Government to this effect, in which we frowned upon the idea of using some of this money for pensions and some of the things it is being used for in Formosa. It shows that probably I am not the only one who entertains these views. I believe that next year, when the appropriation bill is before us, we had better take a long look, not as to the policy of giving money to Formosa or to the Nationalist Government, but to the way it is being administered over there. I believe it calls for some searching inquiry.

Mr. ELLENDER. Mr. President, the pending amendment would cut \$50 million from the defense support program. I wish to point out to the Senate that last year, for fiscal 1958 the amount that was appropriated for defense support for the use of 15 countries was \$689 million. In addition to that, we reappropriated unexpended balances of \$36 million, for a total of \$725 million of new and old money.

In addition to that, Mr. President, there was transferred from the military, \$24,810,000, which gave, for defense support alone, to the 15 countries, \$749,810,000. Although the request was made for 15 countries, as a matter of fact, the money was used by only 12 countries. In addition to this sum, in this year's budget we have provided two special ac-



counts. Last year we had a special assistance fund which provided \$225 million. This year that amount is \$200 million.

We also have the so-called emergency contingency fund, which is in addition to the fund we had last year, and it amounts to \$155 million. So that this bill already provides the President with \$355 million for use in any way the President sees fit. He can use that amount for economic aid, for military aid, or for both.

My amendment merely cuts back the defense support sum to about what it was last year. If my amendment is adopted, with the appropriation that was made last year, of new money and old money, plus the \$24 million which was transferred, the fund will be short only \$9 million.

Mr. President, let me point out to the Senate that we have already made available \$5,196,179,000 in military aid to the countries to which we are now giving assistance by way of defense support. For economic assistance, we have already made available to these countries, \$5,856,840,000. These very countries, which have received so bountifully from us in the past, will be the recipients of the \$790 million which the bill provides, plus a large portion of the \$355 million which the President can use as he sees fit.

I believe we are driving these programs into the ground. Instead of tapering them off, we are increasing them from year to year. It is time to call a halt.

I wish to read a short statement which was made by my good and eloquent friend the Senator from Illinois [Mr. DIRKSEN]. He stated his views on economic aid on August 31, 1951, while the economic aid program was before the Senate. At that time my good friend from Illinois was trying to cut that program considerably. This is what he had to say as the third reason which he advanced:

The third reason which I advance in favor of the adoption of my amendment is that I think the time has come to liquidate.

This was in 1951, when we had spent less than \$17 billion. Today, as I pointed out, we have spent in excess of \$63 billion, plus \$6 billion of unexpended funds, for a total of almost \$70 billion. Yet my good friend from Illinois, who is now championing the cause of the administration, said back in 1951:

This plan was intended as a 4-year plan, and we should now set liquidation in motion. Congress intended, when the plan was adopted, that there should be a termination date.

That was the Senator from Illinois [Mr. DIRKSEN] speaking in 1951. I continue:

If this program continues, I think we shall tend to develop in the world a kind of complex whereby these countries will become perpetual pensioners.

Mr. President, I am in full agreement with my good friend from Illinois. When he made that statement, we had spent less than \$17 billion on foreign aid. Now we have appropriated for that purpose almost \$70 billion. I should like to know what the Senator from Illinois thinks about the program now.

I quote further from his statement on page 10877 of the CONGRESSIONAL RECORD of August 31, 1951:

Mr. President, I wonder whether it is possible finally to develop a pensioner complex in the world if we are so free and easy with our funds, and if we long pursue the mania which we have pursued in previous years.

Furthermore, there is a possibility, it seems to me, that if this program continues too long with a very substantial amount of money, ultimately we shall reach the point where new plans will be set up; and before we get through, they will become more or less perpetual.

Mr. President, that is what is happening now. I continue to read:

I saw the statement by Mr. Foster and some of his associates in the ECA not so long ago. They now have an idea that perhaps they have not quite met their objective in one sphere, namely, that the aid which has been tendered has not reached down to the grass roots.

In the period of time when I was sojourning in and doing some official work in Europe and elsewhere, I developed considerable fan mail, and today I get correspondence from there. Those who write to me point out the same thing. My answer is, What have they done with the \$11 billion which was made available under the Marshall plan, if after more than 3½ years of endeavor they say that in one particular they have failed, namely, they did not get down to the grass roots?

Mr. President, I was in error. I said the amount was \$17 billion, but it was only \$11 billion which had been spent at the time the Senator from Illinois made his speech. I continue:

That seems to me to be rather strange, indeed. Perhaps there is something to it; but that should be all the more reason why the program should be cut off before we undertake a new work and make this a permanent endeavor.

Mr. President, I have been reading from a speech made on August 31, 1951, by my good friend from Illinois, who has been championing the foreign aid cause so eloquently. I could cite more of his speech; but because of the lack of time, I ask unanimous consent that the extracts I have marked in the speech of the distinguished Senator from Illinois be printed at this point in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

Let me point out that the amendment is sponsored by 16 Members of the Senate. It would reduce economic aid, insofar as Europe is concerned, by \$500 million. I have not sought to cut aid under the other titles of the bill, and there is a reason for it.

As I indicated, I could assign perhaps a score of reasons for agreeing to the amendment, but I shall content myself with stating only a few of them. I believe that if anyone goes to the trouble of examining the supporting data in connection with the bill he will discover that there is still a good-sized amount of money left in the bill available for expenditure over and above that which is included in the bill, namely, some unexpended balances.

Mr. President, the second reason which I advance in favor of the adoption of my amendment is that if the economic aid had not been successful by this time, there would have to be some real and sustained doubt as to whether belaboring it with further funds would make it successful in the future.

The third reason which I advance in favor of the adoption of my amendment is that I think the time has come to liquidate. This plan was intended as a 4-year plan, and we should now set liquidation in motion. Congress intended, when the plan was adopted, that there should be a termination date. If this program continues, I think we shall tend to develop in the world a kind of complex whereby these countries will become perpetual pensioners.

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That seems to me to be rather strange, indeed. Perhaps there is something to it; but that should be all the more reason why the program should be cut off before we undertake a new work and make this a permanent endeavor.

What have they done in all these years? Has there been a sense of urgency over there? Why did they not get busy with the money we have made available up to this time? Where is the evidence that they are going to get their armament plants started? If something is necessary, I am sure that the line between economic and military aid is such that, if it properly comes within the sphere of defense, it will offer no difficulty.

The next reason I would assign is that with an agency like this, which operates in the foreign field, sooner or later peculiar personnel, in the sense that they have a peculiar viewpoint, finally get into it, and that situation makes me very unhappy. I do not charge the whole ECA operation with being filled with people who do not express the American viewpoint. I am sure that Mr. Foster is a typical American, but there are others who get into it.

Within the past few days, I see that Thomas C. Blaisdell, Jr., has been sent abroad at \$50 a day for the purpose of sitting on a board which will allocate strategic materials between the foreign countries. Who is Mr. Blaisdell? He was in the Department of Commerce. He is the man, it will be remembered, who defended William Remington. I am not going to put the finger on Mr. Blaisdell. I simply say that I do not like his viewpoint. When a man defends Mr. Remington, after the testimony which was available to Congress, he does not quite measure up to my requirements, at least, of one who articulates and expresses the kind of viewpoint I want to see disseminated abroad. Either Mr. Remington was a knave or he was a fool—a man who had a Dartmouth education, who could sit on a stool in a drugstore in Washington, and testify before the committee, and say, naively,



"Well, maybe my guard was down," as he talked to Mrs. Bentley. It seems to me to be a waste of money and of confidence to have a man like that in the service, and then, when his defender comes along, and his boss, I do not want him in it, either. I do not say he is a bad person. I simply say he is not "for my money." And I do not think he is for the taxpayers' money in this country.

Another reason why I think this \$500 million reduction should be approved by the Senate is that I believe the time has come to set ourselves against the crisis cry. It seems to me—and I say this to my old friend from Kansas [Mr. CARLSON], with whom I served for 10 years in the House—there was not a month when we were not confronted with some social or political crisis in all the years since 1933.

Mr. President, the Senate was in session until 6 minutes before midnight last night, and I stayed long enough to get the tenor of a great many of the addresses. With what passion, with what fervor, it was said that this money must be furnished, that it is world-shaking in its import.

It is strange that the crisis is advanced and presented to us just about the time when it becomes necessary to vote for money. It is strange that the crisis cry suddenly hits the blue just about the time of a political campaign.

Well, Mr. President, I have become a little punch drunk because of the crises about which I so frequently hear; I am becoming a little wearied about so much guesswork and some of the false assurances that this is the road to peace, or that is the road to peace; that here lies the road to stability; that there is the avenue to salvation. When it is all over, suddenly we come up with a great sense of frustration and a burden of futility, because it was not the road after all.

Mr. President, I am becoming increasingly concerned about the solvency of America because, if it fails, the whole world will fail. In England, France, Germany, and Austria leaders used to take me by the lapel and say, "In God's name, let nothing happen to the solvency of America because, if it fails, all fails, and the hope and the light of the world will go out." I think I could refresh myself from the notebooks I carry and name many names of leaders who saw that the hope of the world lay in the solvency of America.

Let me say to my friend from Kansas that I wonder if there is a finite mind under the canopy of heaven that can grasp the astronomical figures with which we deal today. I served for 12 years on the Appropriations Committee of the House, but I have no adequate concept of what a billion dollars is. How can we express it? We can express it in terms of the number of youngsters who can be educated or the number of schoolhouses that we can build for a million dollars apiece, but it is still in the stratosphere.

I suppose so. I remember addressing a meeting sometime last year. I confessed the complete inadequacy of my mind to sense how much a billion dollars was. I received a letter from an old man who said, "I will tell you what a billion dollars is. Look at your watch; look at the second hand as that hand goes around every second, every minute, every hour, every day, every night, every week, every month, every year, and in 33 years the second hand will have ticked a billion times."

How much is a billion? I do not know, and I do not believe anyone in this body or in Government has a conception of what a billion dollars really is. I do know that it is painful and anguishing to sweat it out of the American people, and the time has come to

have some regard for them and for the solvency of our economy as we put larger and larger burdens upon them. But we must not be deluded and taken down some fallacious avenue of emotionalism of which we have heard so much. It seems to me that giveaway has become a mania. It is astonishing, I say to my friend from Vermont, what a strange passion has grown up in the country that the checkbook is a cure for every problem, foreign and domestic. I do not share that idea, because the progress we have made so far does not support and justify that kind of a theory.

If there were a sense of urgency on the part of the people in Europe it would be another thing. Senators have gone over there and have returned, and I have talked with some of them. Many of our people go abroad, but they cannot sense in the air the emotion of urgency, that there is some great, almost indefinable danger in Europe today. They do not sense it. For that reason, the people over there are not so given to the program as we are in this country. If the situation is as dangerous as we are led to believe it is, it is time they awakened and that there be a more lively interest on their part. First of all, this is their show. America will survive, in my judgment. The day I embrace the defeatist gospel and say that the life of America hangs in the balance, the situation will have to be much worse than it is at this time. I do not believe that defeatism is worthy of one who has been generously led and who has received the beneficences of this country.

Mr. President, another reason I assign for the cut proposed by the amendment is that when it is made it will leave substantially the same amount that ECA asked for, had there been no particular tie-in between their activities and the military program in Europe.

I read from page 23 of the report of the committee:

"The Administrator for Economic Cooperation, Mr. Foster, indicated in his testimony before the joint committee that the job of the Marshall plan in Europe as originally contemplated was virtually complete. The Deputy Administrator, Mr. Bissell, testified that if the Western European countries had not found it essential to build up their defensive strength, the Economic Cooperation Administration would have requested \$672 million for aid to Western Europe for this year, primarily to prevent serious economic deterioration such as would carry with it the threat of Communist internal subversion in countries of great strategic importance."

Mr. President, we have a \$257 billion debt. It will grow larger, I have no doubt, in the face of the expenditures which are contemplated. The backing behind our currency is not of such a kind as would make us as happy as we would be if we could say that there was 100 percent gold backing behind it, as can be said for Venezuela. Yet our country, with its budget now in the \$80 billion bracket, with a huge debt, and a tremendous deficit looming in the days ahead, is now going to make money available to South America. Is this wise?

Mr. DIRKSEN. Mr. President, I shall now conclude. I have taken too much of the Senate's time already. I wish to refresh the minds of Senators respecting the set of figures placed in the RECORD last night by the Senator from California [Mr. KNOWLAND] just before adjournment. The figures are rather interesting. In order to maintain the necessary classification the figures are set forth for various countries on the alphabetical basis instead of by countries. In the first place the Senator from California pointed out that the United States defense effort calls for 68.1 percent of the total budget. Compared with the 68.1 percent which the United States is putting into the

defense effort, country A is putting in 45 percent of its total budget.

Country B is putting in 32.2 percent.

Country C is putting in 27.4 percent.

Country D is putting in 26.2 percent.

Country E is putting in 22.7 percent.

Country F is putting in 22.4 percent.

Country G is putting in 17.1 percent.

Someone in the State Department raised the query as to whether that was a fair basis for comparison. He said the comparison should be made on the basis of gross national income. Well, that is also set forth by the Senator from California. He said that in the year 1951 the United States Government was putting into defense 14.1 percent of the gross national income. He said it is expected, of course, that for the current fiscal year that amount will be raised perhaps as high as 20 percent of gross national income because of our expenditures in the defense field. I cite as authority for that no less a person than the Honorable Charles Wilson, the Mobilizer, who appeared before the Senate Committee on Banking and Currency only yesterday morning. He indicated that by late 1952 we would probably reach the 20 percent level. What about the other countries? Country A, 8.3 percent; country B, 9.3 percent; country C, 8.8 percent; country D, 2.3 percent; country E, 6.4 percent; country F, 4.7 percent; country G, 4.1 percent; country H, 2.7 percent; and country I, 5.7 percent.

Is it quite fair? I think the time has come when there must be a more tangible and persuasive manifestation of will and spirit on the part of those who have been the recipients of American largess. Until that time I think, among other things, that we have a responsibility to think about the self-preservation of America and to think about the inordinate burden which is being pressed upon our own compassionate and humble people.

For that reason, and for the other reasons which I have assigned, I hope this amendment begets the favor of a majority of the Senate, so that we can say to the country, "We are interested in the fiscal problem, and we are going to give attention to it. Here is some tangible evidence of our interest."

Mr. President, I yield the floor.

How will the purposes of the amendment be achieved? They will be achieved by sending our dollars to the Western European countries and also sending there certain persons from the United States to study competition there and to hold jobs there while they are making those studies. When all that is done—and it will take a long time—it is said that then productivity will be encouraged. How will it be encouraged, Mr. President? It will be encouraged by showing those countries how to manufacture shoes, tractors, Coca-Cola, and almost anything else as cheaply and efficiently by assembly-line methods as they are manufactured in the United States.

O Mr. President, it is wonderful. That is why the proponents of this plan say they are interested in an expanding economy; that is what they have in mind in this respect.

O Mr. President, this is a honey. We shall send over there several regiments, before we get through, to deal in the internal affairs of some 18 countries there and to expand their economies and to tie up their economies with every manner of social reform.

This plan will make the ECA permanent; we shall be in it up to our necks; we shall never get out of it, and we shall be making permanent pensioners by the millions. When that is done, the solvency of the United States of America will be sunk.

Mr. President, let me refer further to the press release which was issued from New York City on July 26. It was stated that "to formulate this program the administration has ventured into some daring ideas of economic policy."



I will say they are daring; and the word will be spelled with a capital D before they get through.

In the press release it is further said, that "a policy of novel assistance is contemplated."

Mr. President, is that not grand? If that plan goes into effect, Senators should telephone the folks in their home States and should tell them to get ready to go to any one of those countries in Europe, to proceed to participate in that novel drive to make it possible, under the concealment of general language which those who sponsor this plan have had in mind for months, for the ECA finally to proceed to capture for those countries every market in the world, with our help.

My friend from Connecticut has a great solicitude for union labor. So have I, Mr. President. However, I wonder to what extent we shall aid union labor when those who favor this proposal succeed in building up the program in such a way as to make sure that every market in the world will go glimmering, so far as our people are concerned, and thereby diminish and sharply reduce the standard of living in our country.

O Mr. President, this amendment is grand. I like nothing better than this. I wish I were the Administrator, for I believe that under language of this kind I could proceed to take over at least 18 countries in the world.

Mr. ELLENDER. Mr. President, although the item under discussion is labeled "defense support," it is nothing more than economic aid. What I do not like is that we have given until it hurts. Instead of tapering aid amounts off as the economies of recipient countries improve, we seem to increase the amount. This does not add up—it does not make any sense.

Mr. President, I hope the Senate will vote for this amendment and save a measly \$50 million.

Mr. KNOWLAND. Mr. President, the fact is that the defense support funds go to the countries with which we have mutual assistance pacts and where we have obligations for the common defense.

In the estimates presented by the President, which have been examined by the National Security Council, by the Joint Chiefs of Staff, by the Department of Defense, and by the mutual aid authorities, the recommendation for defense support was \$835 million.

When the authorization bill passed the 2 Houses of Congress, that amount had been cut to \$810 million.

The amount which was recommended by the Committee on Appropriations was \$790 million.

In the testimony before the committee, at page 163 of the hearings, Assistant Secretary of Defense Mansfield D. Sprague, who I think all members of the committee recognize as one of the ablest officials we have in this field, with great knowledge of the problems which confront us in the matter of mutual assistance, had this to say relative to the defense support program:

This is particularly so in the case of the defense support program which goes primarily to key countries on the periphery of the Sino-Soviet bloc, such as Turkey, Pakistan, Vietnam, Taiwan, and Korea. Serious cutbacks in defense support will cause such countries to lag dangerously in the military effort required by their strategic location. Reductions in defense support below the

amount of the authorization will, therefore, have a direct and adverse effect on our collective security.

The problem of maintaining freedom in the world is not a bargain counter matter. We have seen what has happened in the instances when we have let down the guards of the free world. Communism moved into Korea. It has attempted to move into other areas of the world.

The particular item under consideration relates to some of the stoutest allies we have: To Turkey, for example, which stood by our side and sent divisions clear around the world, when very few nations were standing with us in the Korean war. It relates to the little Republic of Korea, which today is maintaining an armed force of some 600,000, in order to maintain that part of the world against the possible encroachment of Communist China, which once attempted to move down into the Korean Peninsula. The item maintains a force of some half million on the island of Taiwan, in the Republic of China. That force certainly is a deterrent to communism moving into southeast Asia.

The very nations which would be most adversely affected are the nations which we have urged to maintain strong defenses in the periphery along the Soviet-Sino borders, in order to help maintain the freedom of this Nation. The divisions of our allies can be maintained in those areas at a cost which is much less than the cost of maintaining American divisions in those countries.

I think it would be the height of folly at this time to make the proposed reduction in the defense support items for the countries which bear so heavy a burden and are looking down the throats of the Soviet Union and Communist China.

Mr. ELLENDER. Mr. President, it is true that the information which the Senator from California has given comes from the military, but it all emanates from the eager beavers we have abroad, those job holders who make up the budget. These amounts are not even submitted to the host countries—they are made up by our own people.

For instance, the economy of Korea has progressed to the extent where it is now better than it has ever been. Why should it not be? We have spent in Korea, for economic aid alone, in the last 5 years, \$1,174,485,000. Korea is a country which has made progress. But instead of tapering off our program of assistance to Korea we have increased it considerably. I am not permitted to tell the Senate the amount.

The Senator from California mentioned Pakistan. In Pakistan we have spent \$267,625,000. This measure provides quite a sum more to help Pakistan. That is being done notwithstanding the opposition of India and Afghanistan to our assistance to Pakistan.

Mr. President, this money does not do the job that my good friend the Senator from California states it does. I can state frankly and candidly that this sum of money can easily be trimmed. If it is, no one will miss the amount that is eliminated, because the amount we are now providing gives those countries the

same amount they received last year. Today their situation is improving. Their economies are much better. They are producing more.

As I said awhile ago, it seems to me that the more we help their economies, the more we improve them and improve them and improve them, the more money they demand and the more money we send them.

I am getting sick and tired of doing that, particularly when the money we use for this program is borrowed.

Therefore, Mr. President, I hope the amendment will be agreed to.

Mr. DIRKSEN. Mr. President, this money goes to 12 countries on the periphery of the Red bloc. In six of those countries, we have major bases today.

I make only one other statement for the RECORD: My friend, the Senator from Louisiana [Mr. ELLENDER], has honored me by inserting in the RECORD a speech I made 7 years ago. All I can say is that in my life I find that I must either grow or die. I am glad that I have grown a little in the last 7 years.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I should like to make a final point. Cambodia has given representation to the Reds. I am not permitted to say what funds the United States is giving to Cambodia. But our country has already made available to Cambodia more than \$120 million. The pending bill provides—I wish I could tell the Senate and the American people the exact amount—a large sum of money.

Mr. RUSSELL. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. RUSSELL. I am afraid that my good friend, the Senator from Louisiana, has overlooked the Cambodian army. Just think of what we have obtained for these funds.

Mr. President, it is indeed a very sad thing to contemplate that this program has become a permanent part of our government. I know of no way by which we shall ever get rid of this foreign-assistance program. In times past, I undertook to point out that when we have an entrenched bureaucracy which makes up its own budget estimates and requests, it almost becomes permanent.

In addition, we now have the vested interest in the foreign-aid program by those who sell their goods to the agencies which purchase them for delivery abroad. A great many of them are powerful interests in this country. They have reached the stage where they obtain much more in the way of profits from the goods they sell to the foreign-aid program than the amount of the taxes they have to pay to support it. So in this way, they are protected. But by virtue of that vested interest, the average taxpayer is being saddled in perpetuity with the cost of a program which the Congress should begin to pare down.

But the recipients have received it for so long that they think we cannot reduce it; they say that if we reduce it, we shall lose our friends.



Thus we see the vested interest of a bureaucracy which makes up its own budget estimates, and has no one to argue against them, when it presents to the Congress its budget estimates; the vested interests who produce everything from magazines to tanks, and therefore support the program, in the political arena, with all their powerful means of communication; and, then, the vested interests on the part of the recipients, who now tell us, "If you reduce it by one dime, we will leave you."

Mr. President, I am sad when I contemplate increasing this program over that allowed last year. If the program is increased, the day when that is done will be a tragic one for the taxpayers of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BARRETT (when his name was called). On this vote I have a pair with the distinguished junior Senator from Maine [Mr. PAYNE]. If the Senator from Maine were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. COOPER (when his name was called). On this vote, I have a pair with the senior Senator from New Jersey [Mr. SMITH]. If the Senator from New Jersey were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. GOLDWATER (when his name was called). On this vote, I have a pair with the distinguished junior Senator from West Virginia [Mr. HOBLITZELL]. If the Senator from West Virginia were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG (when his name was called). On this vote, I have a pair with the senior Senator from New Hampshire [Mr. BRIDGES]. If the Senator from New Hampshire were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The roll call was concluded.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Florida [Mr. HOLLAND], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND] would vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Texas [Mr. YARBOROUGH] would vote "yea," and the Senator from Florida [Mr. HOLLAND] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland

[Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Indiana [Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] are necessarily absent.

The Senator from Vermont [Mr. FLANDERS] is absent because of illness in his family.

If present and voting, the Senator from Nebraska [Mr. HRUSKA], and the Senator from Indiana [Mr. JENNER] would each vote "yea."

The respective pairs of the Senator from New Hampshire [Mr. BRIDGES], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from Maine [Mr. PAYNE], and the Senator from New Jersey [Mr. SMITH] have previously been announced.

On this vote, the Senator from Ohio [Mr. BRICKER] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from New York would vote "nay."

The result was announced—yeas 36, nays 41, not voting 19, as follows:

#### YEAS—36

Anderson	Johnston, S. C.	Mundt
Bible	Jordan	O'Mahoney
Byrd	Kefauver	Proxmire
Case, S. Dak.	Kerr	Revercomb
Chavez	Langer	Robertson
Curtis	Long	Russell
Dworshak	Magnuson	Schoeppel
Ellender	Malone	Sparkman
Ervin	Mansfield	Stennis
Frear	McClellan	Talmadge
Fulbright	Monroney	Thurmond
Hill	Morse	Williams

#### NAYS—41

Aiken	Green	Morton
Allott	Hayden	Murray
Beall	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bush	Humphrey	Potter
Capehart	Jackson	Purtell
Carroll	Javits	Saltonstall
Case, N. J.	Johnson, Tex.	Smathers
Church	Kennedy	Smith, Maine
Clark	Knowland	Symington
Cotton	Kuchel	Thye
Dirksen	Lausche	Watkins
Douglas	Martin, Iowa	Wiley
Gore	McNamara	

#### NOT VOTING—19

Barrett	Flanders	Martin, Pa.
Bricker	Goldwater	Payne
Bridges	Hoblitzell	Smith, N. J.
Butler	Holland	Yarborough
Carlson	Hruska	Young
Cooper	Ives	
Eastland	Jenner	

So Mr. ELLENDER's amendment was rejected.

Mr. BARRETT. Mr. President, I was paired against the amendment proposed by the distinguished Senator from Louisiana, to cut \$100 million from the funds provided for military assistance in the bill. I would much prefer to make grants to such countries as Turkey and Korea, in order to permit them to maintain their forces in the field to contain the onslaught of the forces of communism rather than to send our boys to do that job.

Mr. President, I voted for the amendment to cut \$50 million from the item for defense support, more properly known as economic aid. In view of the

fact that this country is obliged to borrow a good many billion dollars to conduct the annual operations of the Government, I am constrained to vote against the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments, and the third reading of the bill.

The CHIEF CLERK. H. R. 13192—

Mr. WATKINS. Mr. President, is this the third reading of the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. WATKINS. I have a statement I wish to make before the third reading.

Mr. JOHNSON of Texas. Mr. President, if the Senator will permit me, I move to reconsider the vote by which the amendment was rejected.

Mr. KNOWLAND. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Texas.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Utah has been recognized. The bill has not been read the third time.

Mr. WATKINS. Mr. President, I intend to discuss my proposed amendment to H. R. 13192.

This amendment would authorize the President to use appropriations under the mutual-security program and other such funds as are necessary in order to negotiate and carry out agreements with foreign nations, in order to alleviate economic hardships experienced by workers in foreign countries whose production will be adversely affected by action hereafter taken under section 7 of the Trade Agreements Extension Act of 1951, as amended. That is the escape-clause provision. It has to do with the minerals program, and it was defeated in the House 2 days ago.

In addition, the amendment I have prepared would increase the special assistance fund by \$2,500,000, to its authorization limit of \$202,500,000.

The Senate Appropriations Committee already has proposed increasing the contingent fund to its authorized limit of \$155 million. That is provided under another discretionary fund. The use of these two funds is discretionary with the President.

Furthermore, the act specifically authorized the President to utilize these funds to "promote political or economic stability." I point out that political and economic stability are highly important objectives of the program. Hence the use of the funds for that purpose is a very legitimate use of mutual security appropriations.

Two recent developments prompted me to bring up my amendment at this time:

First, Congress recently passed the Trade Agreements Extension Act of 1958, which increased the effectiveness of escape-clause action for essential do-



mestic industries adversely affected by foreign imports.

This action, together with the platform pledges of both parties, indicates that a more vigorous use will be made of this escape hatch for domestic industries.

Industries which are threatened by foreign importations should be interested in what I am saying and in the proposal I am making.

These industries now are being undercut and destroyed by competition from foreign firms which do not have to meet the same level of wages, taxes, and other business costs imposed upon American businesses.

Second. For many years now, the free-traders have been asserting that it would be far cheaper to subsidize the losses of domestic firms rather than to impose restrictive tariffs and import quotas.

But we have just had an object lesson in what happens when this solution is assayed.

The administration came forward with a proposal for a subsidy program for certain domestic minerals as an alternative to tariff-import quota relief for the major industry involved, lead and zinc mining.

Mr. President, I find it difficult to compete with other Senators who are talking.

Mr. SYMINGTON. Mr. President, may we have order? Some of us are interested in what the Senator is saying.

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

The Senator may proceed.

Mr. WATKINS. I do not intend to speak for long, I will say, but I think what I have to say is very important.

This program would have cost only \$75 million a year for 5 years through 1962, when it was expected that the increased domestic and foreign consumption would have stabilized the minerals market.

Many of us who supported this measure did so reluctantly, because we have felt, and still feel, that the tariff route is preferable to subsidies. But the lead-zinc industry has been depressed for 8 years, and it had gone the full route of tariff investigations on two occasions, with unanimous recommendations of the Tariff Commission that escape-clause relief be provided.

In view of these circumstances, the Senate voted overwhelming support—70 to 12—for passage of this measure, and it seemed that relief was, at long last, in sight.

However, as we well know, our colleagues in the House have just harpooned this measure with a 23-vote margin, and it appears quite definite that effective relief via this alternative route cannot be provided this session.

Under these circumstances, it appears that the President has no alternative other than to invoke tariff increases and import quotas for lead and zinc under the escape clause of the Trade Agreements Act, as recommended in a still-pending action of the Tariff Commission. And I and many other Members of Congress from minerals-producing States

have importuned him to take such action.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a copy of the letter I sent to the President immediately after the vote in the House.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 22, 1958.

THE PRESIDENT,  
The White House,  
Washington, D. C.

MY DEAR MR. PRESIDENT: I have just been advised that the House of Representatives defeated the minerals stabilization bill. This will be sad news to the thousands of workers and their families throughout the United States who have been out of work for a considerable length of time because of the depressed prices in the minerals market, and most specifically in the lead-zinc field. They had been hoping and praying that Congress would act favorably upon this bill. Many of these unemployed workers reside in my State of Utah. The defeat of this measure also will be sad news to the hundreds of thousands of stockholders in the companies which operate lead and zinc mines and other minerals in the United States. And it should be sad news to all those who are interested in keeping the economy of America strong and prepared for any emergency.

Although stockpiles of lead and zinc and some other minerals are plentiful for defense purposes, still the economy of this country cannot afford to be without a vigorous and prosperous mining industry. They certainly could obtain a stranglehold on the economy of this country if our mines are closed to the extent that we are wholly dependent upon foreign sources of supply.

Personally, I want to express my very sincere appreciation for the loyal, and the most part effective, work of Secretary Fred Seaton and other members of the administration who have strongly supported the defeated bill. You, of course, were the inspiration for this particular type of legislation, because, as you expressed it, you thought it in the best interests of the United States to give relief particularly to our lead and zinc mining industry by way of a stabilization program rather than through the methods recommended by the Tariff Commission. Members of Congress from the States of the Union where these metals are produced were all vigilant and energetic in supporting the bill, but all the effort put forth was of no avail, even though we won a more or less spectacular victory in the Senate.

Now we come to the only source of relief open to us, and that is to follow the method set forth in the Reciprocal Trade Act as it was recently amended. After an exhaustive hearing, the Tariff Commission has made its recommendation, and you have the power to put into effect an effective program for assisting the lead and zinc industry. I need not review, Mr. President, the pledges of both the Democrat and Republican Parties with respect to the escape clause provision of the Reciprocal Trade Act, nor your assurances that this act would be faithfully and expeditiously enforced.

I very reluctantly agreed with you and Secretary Seaton that we should try this other method, but since it has failed after an honest, faithful effort to make it succeed, I now appeal to you in behalf of the thousands of miners who are out of work to use the full powers given you under the amended Reciprocal Trade Agreements Act to give this industry the protection it needs in order for it to be in successful operation again.

I am sure you will agree with me that after the long delay incident to the contest to secure relief by legislative act, no time should

be lost now in using your powers to relieve this mining industry. You have before you the recommendations of the Tariff Commission, and under the amended act you have additional power to grant relief. I earnestly hope you will act expeditiously to put into effect such measures as will be effective to put this industry on its feet again. It has been my conviction all along that our mutual aid program should be used to relieve the lead-zinc mining industry in any of the countries that might be affected by an increase in tariffs and the imposition of quotas. Our friendly allies in this hemisphere who are the producers of lead and zinc could be helped in the event their industries are seriously damaged by the imposition of tariffs and quotas if quotas should be a part of the remedy.

When the mutual security bill comes before the Senate I intend to offer an amendment to specifically authorize you to use some of the funds voted under this program to aid countries which might be dangerously damaged by any remedy which you might impose to help our lead and zinc industries. I am enclosing copy of an amendment I had prepared to offer to the reciprocal trade extension bill when it was before the Senate.

In conclusion, Mr. President, may I say that I have appreciated the position you took and your sincerity and honest conviction in urging a stabilization program rather than follow the recommendations of the Tariff Commission. But since our efforts have failed, I now have every confidence that you will act in accordance with the pledge of the Republican Party at its San Francisco convention in 1956.

With all good wishes, I am,

Cordially yours,

ARTHUR V. WATKINS.

Mr. WATKINS. Mr. President, relief for the other minerals involved apparently will have to await legislative action next session, because in no other case is an escape clause decision pending.

This amendment will not obviate the necessity for the President to take escape clause action for a domestic industry facing ruin from foreign imports. It merely will make it possible for the President to take such action whenever he deems it necessary, then to go beyond the authority in the Trade Agreement Act and soften the economic blow of the escape clause action through the mutual security program. Certainly such action to aid our friends and stave off Communist efforts to take advantage of the situation is within the purview of this act.

The President's action under this authority would be discretionary, just as it is under much of the existing mutual security program. However, it could involve such cushioning measures as these:

First. Negotiations to advance a loan for an adversely affected country to build a new industrial facility to produce goods that are not ruinously competitive with American domestic industries.

Second. Provision of assistance to build processing facilities so that a friendly producer could ship refined metals to other markets.

Third. Provision of shipping to enable a friendly producer to sell goods to more distant markets.

I have not had time to work out specific, acceptable recommendations for action to counter the effects of escape clause action, but our State Department



staff, which helps foreign countries invade our markets, certainly is ingenious enough to solve this problem. The major limitation, at present, would be a lack of funds under the 1959 program, because the President really needs more money for these two funds than the Congress has authorized.

However, I feel sure that if a well-considered and reasonable program is worked out between now and January under this authorization, the new Congress will be amenable to providing adequate funds under a supplemental appropriation. Furthermore, it should be considered that before such funds are needed, escape clause action would increase tariff rates, thereby providing some offsetting revenues.

If this program is carried through, we will be taking constructive action in support of friendly trade relations that no other country, to my knowledge, has put into practice.

Most other countries apply tariffs, quotas, and other import control devices to protect their domestic industries, with little regard for the effect such action may have on other countries, friendly or hostile.

Moreover, I believe it is true that no other country has gone so far as we have since 1934 in opening our market to foreign competitors.

Now, if the Congress passes this amendment, we will be saying, in effect, to our foreign friends: "We intend to apply the escape clause effectively and expeditiously in defense of our essential domestic industries, just as you protect your industries, but we are going farther than any other nation we know of, and will do what we can to cushion the economic blow which you may suffer from this action."

I believe that such a policy would be respected and appreciated by our foreign friends.

And it most certainly would be appreciated by our depressed domestic industries which cannot hope to compete with low-cost foreign competitors.

Furthermore, if our foreign friends complain strongly about our application of the escape clause, we need merely remind them that our failure to save domestic industries from ruin by foreign imports could mean the eventual death of our trade agreement program and the imposition of tariffs and import controls which would make the Smoot-Hawley tariff seem weak by comparison. This is no threat; it is just a realistic appraisal of the situation.

In suggesting this amendment, I am making a constructive effort to save our present trade program without sacrificing our essential domestic industries or alienating our friends in these difficult times. The President has a most difficult and challenging task to promote good international relations and to administer the foreign trade program. I sincerely hope that my colleagues will support the policy involved in this proposal, offered purely on my own initiative, to help the President adequately utilize the more effective escape-clause tool which the 85th Congress has just given to him.

Mr. President, I invite attention to the Mutual Security Act of 1954, as amended by the present Congress.

The amendment I propose is, on page 2, line 23, strike out "200,000,000;" and insert in lieu thereof "202,500,000;" and then add the following language:

*Provided*, That the President is authorized and requested to use such funds as are necessary in order to negotiate and carry out agreements with foreign nations in order to alleviate economic hardships experienced by workers in foreign countries whose production is adversely affected by action hereafter taken under section 7 of the Trade Agreements Extension Act of 1951, as amended (escape clause provision);

That is the escape clause provision.

On page 4, line 5, immediately before the semicolon, it is proposed to insert the following: "": *Provided*, That the President is authorized and requested to use such funds as are necessary in order to negotiate and carry out agreements with foreign nations in order to alleviate economic hardships experienced by workers in foreign countries whose production is adversely affected by action hereafter taken under section 7 of the Trade Agreements Extension Act of 1951, as amended—escape clause provision."

The reason I am making this proposal is that since the mineral stabilization bill has been defeated, and since the States in which these industries are located have done everything in their power to get an alternative program, other than going the tariff route, and have failed, I am assuming that the President of the United States will now proceed to carry out the recommendations of the Tariff Commission with respect to lead and zinc.

I am assuming also that he was acting in good faith—and I am sure he was—when he said, in effect, that it would be dangerous, in some of our neighboring Republics in this hemisphere, if we were to adopt a tariff, rather than to use the subsidized-mineral bill which we had before us, and which received such a large vote in the Senate.

In order to carry out the program without damaging those people and making it possible for the President to have at hand a remedy to take care of that sort of situation, should it arise with any friendly nations, he should have authority, if he does not already have it, to do that sort of thing.

I have checked with the distinguished chairman of the Appropriations Committee [Mr. HAYDEN]. My attention has been called—and we had already investigated it—to title IV, "Special Assistance and Other Programs," contained in the Mutual Security Act of 1954, as we amended it this year. That provision reads as follows:

SEC. 400. Special assistance: (a) There is hereby authorized to be appropriated to the President for the fiscal year 1959 not to exceed \$202,500,000 for use on such terms and conditions as he may specify for assistance designed to maintain or promote political or economic stability.

That is precisely the thing the President may be confronted with if he goes the tariff route and puts into effect tariff provisions without any quotas.

If we find that kind of situation developing through the American Republics which produce lead and zinc, he apparently has the authority—that is the question which has been raised; and I wish to be sure that he has the authority—to deal with that possibility. I wish to direct attention to the possibility, so as to make it easier for the country to support the President, and for the President to take that kind of action.

Before I ask the chairman some questions, I invite attention to another section of the Mutual Security Act, namely, chapter III, section 451, under the heading "Contingency Fund."

SEC. 451. President's Special Authority and Contingent Fund—(a) Of the funds made available for use under this Act, not to exceed \$150,000,000, in addition to the funds authorized for use under this subsection by subsection (b) of this section, may be used in any fiscal year, without regard to the requirements of this Act or any other act for which such funds are authorized by this Act or any act appropriating funds for use under this Act, in furtherance of any of the purposes of such Acts, when the President determines that such use is important to the security of the United States.

That gives him an additional fund of \$150 million, provided there is that much unused in the other funds. I think the record shows that there are many millions more than that still available. As I understand, the present bill, in the first section, provides for \$200 million in the special assistance fund. Is that correct?

Mr. HAYDEN. That is correct. Let me point out to the Senator, first, that so far as his amendment is concerned, it could not be entertained in connection with this bill because both paragraphs are legislative in character. They would change existing laws and could not be included. Second, with respect to what he has read in regard to existing law, the President now undoubtedly has rather wide discretion with respect to what he considers to be assistance designed to maintain or promote political or economical stability. Will the Senator read that section once more?

Mr. WATKINS. The section reads as follows:

Section 400. Special assistance—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1959 not to exceed \$202,500,000 for use on such terms and conditions as he may specify for assistance designed to maintain or promote political or economic stability.

Mr. HAYDEN. It would be a question in the judgment of the President as to what he should do with the money we propose to appropriate in the bill now, and if he should decide to take action under proper legal advice, which I have no doubt he would get, to promote the interests of the United States, he could take that action. That is my judgment.

Mr. WATKINS. Without mentioning any particular Republic, if he found, for example that X Republic in the Western Hemisphere was a producer of lead and zinc, and that should he impose the tariff recommendations of the Commission that nation would be seriously damaged and its political and economic sta-



bility upset, he would be within the law, it seems to me, if he made the finding that he could then use funds authorized under section 4 of the bill.

Mr. HAYDEN. That would be a matter within his discretion.

Mr. WATKINS. Also with respect to section 451, which authorizes up to \$150 million of other funds, he could do the same thing, could he not?

Mr. HAYDEN. That view appears to me to be perfectly clear from a reading of the law.

Mr. WATKINS. What I was trying to do was to make abundantly clear the extent of his authority. I was in some doubt when I prepared this amendment whether he had the authority, and I did not know to which bill I might propose that amendment.

Mr. HAYDEN. The President will not come to ask me what I think he ought to do, but undoubtedly he will ask the Attorney General and others who can properly advise him. But, so far as I am concerned, it seems to me he has the necessary authority.

Mr. WATKINS. That has to do also with the other section pertaining to the \$202 million?

Mr. HAYDEN. That is right. It applies to both sections.

Mr. WATKINS. I wanted to make that understanding clear, so the President may be able to examine the legislative history for the action I believe he will take in carrying out the provisions of the law.

Mr. LAUSCHE. Mr. President, will the Senator yield so that I may ask a question?

Mr. WATKINS. I yield.

Mr. LAUSCHE. Is there any question in the minds of members of the committee with respect to the answer just given?

Mr. HAYDEN. This is the first time I have heard the question asked. If some action taken by the United States adversely affected the economy of another country, the language of the amendment appears to be broad enough to enable the President to do something about it. What he would do and the steps he might take to do it I have no idea.

Mr. LAUSCHE. Has the Senator heard any expression of opinion to the contrary by any of the members of the committee?

Mr. HAYDEN. No. This is the first time I have heard the subject mentioned.

Mr. WATKINS. I have read the record of the committee and I believe it is a fair statement that the President would have the right to use funds authorized under section 400 of the Mutual Security Act as amended this year. He would also have the right to use \$155 million under section 451.

Mr. HAYDEN. He is clearly given broad discretion under that legislation.

Mr. WATKINS. I wanted to make that position abundantly clear. I have heard nothing to the contrary. I appreciate the help and assistance I am getting from the coaches on the side.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. WATKINS. I have not offered the amendment.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. JAVITS. Mr. President, I have waited until the third reading of the bill to make the observations I wish to make at this time. I was detained and could not make them heretofore. I wish to make my position precise, for the benefit of the leadership and those who will be conducting the conference on the part of the Senate.

Speaking for myself, and I believe a number of other Senators in the Chamber, we have deep convictions about the Development Loan Fund. We felt that the Development Loan Fund was too low to serve the national interest of the United States. I had filed an amendment to raise it to \$825 million. The distinguished Senator from Pennsylvania had filed an amendment to raise it to \$625 million. I deeply believe the Appropriations Committee went as far as it felt it could go in terms of the temper of the most of the Members of the Senate in fixing the figure at \$580 million. I believe that is a fair figure in view of the fact that the administration asked for only \$625 million, whereas it should have asked, based upon the testimony of Douglas Dillon himself, for \$825 million. But it did not. That is its mistake.

In any event, considering what the Appropriations Committee faced, I believe it handled the matter very fairly. The problem will arise in conference, and I did not think it was fair, knowing the tough kind of conference that the conferees will have and that the leadership will have to face in coming to a final conclusion, to refrain from emphasizing the vital importance of this Development Loan Fund in the whole national security interest of the country.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I shall not detain the Senate for more than 2 minutes.

I would like also for the RECORD to indicate I had pending at the desk an amendment which I did not call up. That amendment would have restored to this appropriation bill the full amount in every category which had been contained in the authorization bill. It is my deep conviction that we are making a mistake in this body and that a mistake will be made in the other body of Congress in not giving the President of the United States every cent he requested for the military assistance defense effort, development loan fund, and special assistance authorization.

The time is long past when we can concern ourselves with whether or not this is a permanent part of our national policy. It is. It is necessary to our national security. We have the combined

judgment of all the executive departments of the Government in this matter. I think we should pay attention to it.

Mr. COOPER. Will the Senator yield?

Mr. JAVITS. I yield to my colleague from Kentucky [Mr. COOPER].

Mr. COOPER. I join with the Senator from New York. I voted to reduce military aid by \$100 million a few minutes ago. I believe that is the first vote I have cast to reduce an appropriation for mutual aid. I did so in the firm conviction there is a great challenge to this country at this time and in the years ahead with respect to our willingness to provide a large measure of economic assistance to countries which are struggling to maintain their independence and raise the standards of living of their people. I earnestly hope that the Development Loan Fund will be maintained, and I hope that next year the amount which the President asked for last year, \$800 million, will be made available.

Mr. JAVITS. I yield to my colleague from Missouri.

Mr. SYMINGTON. Mr. President—

Mr. JAVITS. Does the Senator from Missouri wish me to yield?

The PRESIDING OFFICER. The Senator from Missouri is seeking recognition in his own right.

Mr. JAVITS. Mr. President, Mr. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs, testified the \$625 million request for the Development Loan Fund was at most no more than the barest minimum. That \$625 million represents an aggregate—if we do appropriate what was asked—of \$925 million for the whole economic development loan activity of the United States, taking it with the \$300 million appropriated last year. Now we are actually giving them \$880 million if this bill passes.

Mr. President, we talk a great deal in this Chamber about competition with the Soviet Union, and we have appropriated over \$40 billion for military defense this year in respect to that competition.

The Soviet Union is not quite as tight as we are in terms of economic defense—although we are a great deal richer than they are—because they know what it means. They have spent an average of \$600 million a year. To give the Senate an example of the relationship of their programs to ours, in two countries in the Middle East—Syria and Egypt—during the last 3 years the Soviet Union has given in economic aid, \$449 million. Our total economic aid program for the whole Middle East, in the same 3-year period, was approximately \$480 million. Theirs was for only 2 countries; ours for the whole area.

I heard the distinguished senior Senator from Louisiana ask the question: Where are we going to get the money? It is a fact that the budget of the United States is large and that our national debt is increasing. However, the situation is the same as you encounter in the running of any business. It is not what we spend, but what we have. The fact is that in 1946 the national debt was 136



percent of our national income. It was more than one-third larger than the national income. In June 1957, the national debt was three-fourths of the national income. In short, our position in that 11-year period improved very materially, and the United States is not bleeding itself white in order to do the job that needs to be done.

There is a tremendous deficiency of private investment capital in the underdeveloped areas where the Development Loan Fund could be used. United States direct private investment in the less developed countries of Asia, Africa, and the Middle East averaged only \$119 million a year during the 3 years 1954 through 1956. I am referring to the testimony of Douglas Dillon, Deputy Under Secretary of State for Economic Affairs, when he testified before the Committee on Foreign Relations.

In short, Mr. President, there is a real insufficiency of capital in this area.

I believe that by now no one needs to be convinced of the importance of the people in those undeveloped areas—countries like India, Thailand, and Burma. And, if they do not see hope, in that enormous area, they will not be on our side, because the Communists are willing not only to expend the propaganda ideology, but also the hard cash to win them over.

One other fact which Mr. Dillon gave us was that the Development Loan Fund will have received applications deserving serious consideration in the amount of \$3.3 billion by June 30, 1959. By that date the aggregate amount which will have been made available to meet those requests will be \$880 million, if the present bill is passed.

We have heard some very long speeches by people on the proposition that we could and should save some money. I deeply feel that if we save money on this item we will be putting in jeopardy the national interest of the United States. I say that because we can make all the speeches in the world we want to on the subject that we are better than the Soviet Union, and that we ought to beat them at their own game. The hard fact is that in this case we must either put up or shut up.

Mr. President, in conclusion I should like to read some lines from a very wise man, Paul-Henri Spaak, Secretary General of the North Atlantic Treaty Organization. This is what he said on the very subject we are discussing today:

Peaceful coexistence means a life and death struggle between the Communist system on the one hand, and the way of life and political, economic, and social structure known as Western civilization on the other. It must be realized that this struggle will be carried into all fields, though it will be fiercest in the economic field, and is a challenge which must be accepted.

Mr. President, Khrushchev has said he declares war on us in the peaceful field of trade. Unless we appropriate the full amount of \$580 million, which is specified in the bill, then we shall be inviting disaster in respect of that challenge. Dictators always tell us what they propose to do. The trouble with us is that we do not listen. I strongly urge that we listen now.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared stating why I am in favor of the passage of the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR SALTONSTALL

The Senate Appropriations Committee has added \$440 million to the mutual security appropriations bill passed by the House. Although this brings the total appropriation to more than 3½ billion, it is still substantially smaller than the amount which the administration has determined to be necessary. The amount which would be appropriated under the committee bill is therefore a very small amount in the light of the program regarded as necessary by the President.

Most of the funds which the committee has restored will go to carry out our programs for economic development abroad. Mr. President, much has been said and written about these schemes, and their usefulness has been debated in all quarters. Generally criticism of them runs along the line that they have not bought allegiance to us, they have not resulted in democratic governments, the funds have been wasted through poor administration by our officials, or have been swallowed up by corrupt governments.

To some degree, although I think it is a small one, all of these things are true. But have we ever appropriated money for any program the administration of which was certain to be perfect, the results of which were plainly foreseeable, or the objectives of which were realized exactly as they were visualized? If there is conjecture and chance in appropriating this money, we are dealing with the rule—not the exception. But although the possibility of our receiving value for these funds is more remote than is usual, we must recognize that the catastrophes which we seek to avert are more imminent. It should not surprise us that the insurance is more expensive when that risk, if it occurs, is likely to be more costly.

The proposition has often been put to us that many countries in the world are so poor that their entire income must be spent upon subsistence items. They cannot lay enough aside to begin to accumulate those basic capital resources which are necessary for development of an expanding economy. To one who has traveled, this proposition is strikingly true. The question which confronts this body is whether the continuation of such conditions is in our national interest.

Let me first speak in long-range terms. The President of the United States said to the United Nations last week, "We are living in a time when the whole world has become alive to the possibilities of modernizing their societies. Material progress should not be an overriding objective in itself; but it is an important condition for achieving higher human, cultural and spiritual objectives." Mr. President, we cannot expect anyone to strive for these objectives nor can we expect ideas which are friendly to our own to grow in the sort of climate which prevails in some underdeveloped countries. There is the most intimate connection between economic and social conditions and the national policies which spring from them. Our way of life and the conceptions which are fundamental to it have developed in an atmosphere relatively free of the misery and poverty which prevail in much of the world today. To the extent that we can foster such an atmosphere abroad—an atmosphere of economic progress and freedom—we will be laying a groundwork for the growth of ideals that are in harmony with our own.

But even if this objective is too distant to strive for, there are other pressing considerations which demand passage of this bill and which are easily justified on national security grounds.

For better or worse, economic warfare has become the order of the day, and the Russians have picked up the weapon which we have introduced to the world. I read from time to time of Russian moves in this field—buying surplus products from countries which will otherwise suffer severe depressions, supplying arms where we have refused to do so, sending in swarms of technical advisers and military experts who subvert and proselytize. Economic aid has become, as the use of force was in the 19th century, the accepted method of filling a power vacuum. It is difficult for us to maintain the balance of power without it, particularly in view of our unwillingness to resort to force in other than extreme circumstances, and our rejection of subversion as an instrument of national policy.

Providing military aid is simply not enough, Mr. President. Many countries upon whose support and good will we depend will not accept such aid, or if they will, are not greatly influenced by it. A loan is often a more effective way of gaining confidence than the supply of a destroyer or a jet aircraft. And we should recognize that our position in foreign countries is much better assured in the event of a change of government, if our links are economic rather than military. The former much more easily endures a change of regime.

In conclusion, I cannot too strongly urge the passage of this bill in the form reported by the committee. The amount appropriated will be the very minimum upon which our foreign operations can proceed with effectiveness. To provide less would be to put ourselves in the most unnecessary danger.

Mr. SCHOEPEL. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD a statement which I have prepared on the pending bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### AN END TO THE FOREIGN AID GIVEAWAY

(By Senator SCHOEPEL)

The United States began providing emergency economic help to Europe right after World War II. Surely no one dreamed back in 1945 that 13 years later we would still be giving away money at the rate of \$3 billion a year for foreign aid. How is it possible that free people have let themselves be talked into this monstrous giveaway that has cost them nearly \$60 billion, or about \$350 for every American citizen?

Foreign aid started out as a way of helping a prostrate Europe back on its feet after the destruction wrought by the Second World War. It was only supposed to last a few years and for the most part, it was to be given to our wartime allies. But instead of coming to an end, this European-centered "emergency" aid has become a permanent drain on the American economy. It has been enlarged so that we now provide both economic and military help all over the world. We are trying to industrialize all the underdeveloped areas that are not under Soviet rule; we are trying to arm both the nations of Western Europe and any others that are allied with us in the struggle against the Soviet military drive for world domination. I say we must call a halt to this spending of your tax dollars and my tax dollars in every case where it is not clearly in the interests of America's own security. How can we cut down? First, we must look at what has already been done and see what we can learn from these past successes and failures. Then, we have got to take a long,



cold look at what foreign-aid activities can do for us today and the best way in which it can do the job. I am convinced that the end result will be a greatly reduced drain on the American pocketbook, more defense for the dollar, and greater respect abroad for the United States.

The Marshall plan that put Europe back on its feet after the Second World War was to last from 1948 to 1952, but after only 2 years it had increased European productivity beyond the 1938 figures. At the end of its allotted 4 years, industrial output was 40 percent above prewar levels and agricultural production was up 15 percent beyond the prewar level.

If the Marshall plan was successful, it was because it had a practical goal. The job was to repair European industry and agriculture that had been destroyed and help establish new factories and farms. Since Europe was already highly industrialized it was feasible for American dollars to do the job when they were added to Europe's own funds and manpower resources.

It was because Europe and America worked together. It was because we were helping nations that, for the most part, had been our wartime allies, rather than trying to buy new friends by gifts of money. Despite the fact that many American servicemen gave their lives in World War II and this country spent billions of dollars, our allies suffered more severely from the war than did the United States. The cities of Europe were subjected to heavy bombing, a high percentage of allied servicemen were killed, and much of the farmland and industrial plants were damaged. In a sense, the Marshall plan recognized these facts. We were helping our allies who had fared so much worse than we had fared in the common struggle against Nazi Germany.

It was successful because the aid was appropriate to the requirements of the individual countries. Delegates from the European nations and the United States sat down together and carefully planned just what American aid was needed in each country to supplement the domestic resources. There was no "monument building," or expensive projects that serve only to increase the prestige of the local political figures. There was undoubtedly some waste, for there would have to be some in such a gigantic program.

Finally, I believe we must recognize that the Marshall plan was not designed to make democracies out of states that had never before experienced a democratic way of life. The countries of Western Europe had long since fought the battles for democratic freedom. We were merely helping democratic governments to maintain themselves in the face of terrible economic and political dislocation that provided an opening for local Communist Parties to make a successful appeal to the poorer factory workers and some tired intellectuals.

We embarked on the great giveaway of economic aid to the world at the same time we began the shift in Europe from emergency economic help to military aid. Our experience with the Marshall plan should have taught America a lesson about economic assistance. It should have taught us the criteria for a successful program of foreign aid. But alas, this did not happen. So often programs which are meritorious have a way of extending far beyond the limit of their usefulness. Bureaucratic empires are built, vested interests establish profitable footholds which they are reluctant to relinquish. Propaganda barrages obscure in a fog of slogans the true nature of the operation.

When we set out to industrialize the underdeveloped areas of the world, we have set ourselves a goal that is beyond the limits of what we can reasonably expect to accomplish even with the billions of American dollars that have been spent and that we are continuing to spend in these countries. We

have given billions to governments and peoples for economic development when they have demonstrated neither the capacity nor the incentive to set their own courses toward economic development. We have poured our aid into countries that are not our allies and even into some that spent their time attacking American foreign policy. The aid which we have supplied has often been quite unnecessary in terms of the actual requirements for economic development in the particular country. This has increased the waste and inefficiency that characterize the administration of our current economic assistance program. It is also clear that we have sometimes provided economic assistance to the less-developed countries in the vain belief that our money can buy democracy in these lands that have had little if any experience with the democratic way of life. These are not the only problems that pervade our massive programs of economic assistance. But they are problems that would not be with us if we had only taken the trouble to learn the lessons of success and failure from our experience with the Marshall plan.

We are naive if we think the American aid dollars can make any substantial contribution to the hundreds of billions that will be needed to turn poverty-stricken, disease-ridden, agricultural countries like India into modern industrial nations. Clearly it is not feasible for the American economy to provide sufficient assistance to raise the income of 400 million Indians to that of Europeans, to say nothing of Americans. I mention India only because it is such an outstanding example. But, approximately the same situation exists in the other nations of Asia and Africa. The only way United States economic grants could dent the surface of the problem of economic development in these countries is to increase our appropriations several times over and continue to give this volume of assistance for several generations. I believe this is more than the American people will stomach.

The United States does not have the responsibility for making such enormous sacrifices to modernize the economies of Asia and Africa. And it is foolish for us to give our money away in the attempt to reach such an impossible goal. These funds can serve a more useful purpose elsewhere. Perhaps we might even be sensible enough to reduce the present tax burden in America. Or would that be asking too much?

The European aid program should have taught us to help only those who are willing to help themselves. Europe took the lead in its own reconstruction. This is not the case in many of the countries of Asia and Africa. We seem almost to be urging money upon them. And in some cases we won't even make the local government draw up a carefully worked out plan for development. Nor do we require that the government put a substantial portion of its own income into development projects. It is notorious that the oil-rich feudal monarchs of the Middle East who receive American economic assistance have consistently held back from putting their own money into programs for economic development. It's so much easier to get it from Uncle Sam who seems determined to come in and modernize their country for them. Now, I don't mean to imply this is true everywhere that we give economic aid today. Indeed, there has been a revolution of rising expectations throughout the underdeveloped parts of the world, but this doesn't mean the people are willing to set before themselves the goal of a higher standard of living and then make the sacrifices necessary to save and invest in their own future economic development. It is a waste of hard-earned American dollars to provide economic aid where the people are not willing first of all to help themselves. We helped Europe help herself until she got back on her feet. But we aren't going to give money

to Asia and Africa forever and especially not when many of the countries there don't save what money they do have to help themselves.

Despite all these roadblocks to a successful aid program, the record shows that we have often provided one kind of economic aid when in fact, the country needed something quite different. We have tended to make economic development mean industrialization always and everywhere. It is foolishness for us to give away billions of dollars to build steel mills, hydroelectric plants, and super-highways in places that have no industries to use the steel and the electric power and few automobiles to travel on the paved highways. Now it is popular to justify the foreign aid expenditures on the theory after all we are assisting our own economy; that by giving billions of dollars, we are in reality making money; that it is a profitable venture for American industry, American agriculture, American shipping, American banking, etc. This in my opinion is nonsense.

As I view the trends in the American agricultural situation, the textile industry, the lumbering industry, the steel industry, the automobile industry, the mining industry and a host of other vital segments of our economy, I am becoming more and more convinced that unless an end is put to this wasteful mismanaged, scoop-shovel, give-away foreign aid program, we will have serious economic dislocations in this country.

I do not wish to destroy the standard of living of the American working people. I do not wish to reduce to a common denominator the free Americans with that of peoples all over the world. I do not want the American workingman riding to work on a bicycle as his foreign counterpart in many areas of the world does today. I do not want American labor competing with those who work for 20 cents an hour with no retirement, no sick leave, no vacations, no social-security benefits, no opportunity to own their own homes, worship in their own church, or raise their children in accordance with the dictates of their conscience. I inherited from my forebears, who struggled hard in Kansas, an opportunity which, so long as I am in a position to do so, I shall fight to transmit to those who follow us.

I assure you that I shall never vote for any program which guarantees full employment in New Delhi, Rangoon, Paris, and Rome if it also promises unemployment and bread lines in Topeka and Wichita. Perhaps this is a selfish nationalistic point of view. If it is, I plead guilty. Any other position insofar as I am concerned is a form of national suicide.

I cannot subscribe to the theory that providing economic aid to the less-developed countries will cause them to become democracies rather than totalitarian states. This is something I would have expected Karl Marx to say. I would not expect to hear it from an American.

I do not believe that a country chooses Western democracy or Soviet communism on the basis of whether it receives more economic help from the United States or from the Soviet Union. Yet there are those in our country who act as though they are afraid Khrushchev will get ahead of us and give away more money than we do. Is that possible? Maybe. But, so far, the Soviets have given very little money to anyone. Most of the much-touted Soviet economic aid is in the form of trade credits and not outright gifts. Moreover, while the Sino-Soviet bloc has committed itself to about \$1.9 billion of aid, they have actually delivered only about one-fifth of the economic assistance parts of their promised aid. Perhaps they expect the countries they help to turn into Communist states. I don't know, but there is little evidence to suggest that President Nasser of Egypt wants any part of communism in his country. Nasser has been wine and dined by the Soviets and has received the largest single slice of Russian eco-



conomic and military aid, but he has consistently followed the strategy of trying to play off the Soviets against the free world and get the most he can from both parties.

It is ironic that in the face of such claims that our economic grants to the less-developed lands will help to guarantee the success of democratic governments, there is strong evidence to suggest just the opposite.

I have tried to show you why we have failed so miserably. We have failed primarily because we have expected economic aid to do things that it was inherently impossible for it to do. It is a failure because it is not vital to the interests of the United States to give economic grants to the underdeveloped areas for long-term development and therefore represents a net loss of billions of dollars to this country. It is a failure because it has nurtured contempt for the United States around the world. We have come to be regarded as a soft touch, as nervous, jittery, and unsure of ourselves before the challenges presented by the Soviet Union.

If we are ever going to stop the giveaway and put this country's foreign-aid program on a sensible basis, we will have to call a halt to all grants of economic aid and make sure that our military aid goes to only those nations whose defense is clearly in the interests of American security. The American people will want to give help to foreign peoples in case of disasters like floods and earthquakes and fires, but we must not give money for the economic development of other countries unless it is on a sensible loan basis. This is a waste of our tax dollars unless we use some commonsense in this respect. It is an insult to the self-respecting peoples of other nations to put them on an American dole. I believe the entire foreign-aid program needs an overhauling. There is no question that some military assistance is needed.

As the Senator from Kansas, I must accept the recommendations of our military authorities when they request funds for the defense of the free world. However, I know that under the blanket of national defense which to me is a sacred obligation some very strange creatures are being hidden. It seems to me that a group of global do-gooders are trying to provide bathtubs and two televisions for everyone in Timbuctoo, and many other impractical ventures. Now you may think I am intending to be facetious. Far from it—far from it. Some of the things which we have done in foreign countries under the guise of foreign aid would make the Mad Hatter of Alice in Wonderland look like Solomon.

The time has come, therefore, when we must revise our entire approach to this most difficult subject. The sad record indicates that our generosity, if it is generosity, certainly has not won friends or influenced any people. It has not helped us either here or abroad. We have let the entire program become a "Sacred Cow." Anyone who dares to criticize it calls down upon his head the wrath of every leftwing outfit and one world outfit throughout the Nation.

So be it. I have opposed the program as it is now constituted. If it continues in its present form, I shall continue in opposition. If it is revised and becomes selective—if it becomes a program which furnishes needed military assistance to those who are on our side, and which eliminates unnecessary and wasteful economic assistance, if the management is put on a businesslike basis and the bureaucratic morass is eliminated, I shall then support those phases of such a program that seem most likely to achieve that which we all desire; namely, freedom and security throughout the world.

Mr. SCHOEPPEL. Mr. President, I am including in my remarks a statement of economic aid by the United States as printed in the New York Times under

date of May 23, 1958. This clearly shows the staggering sums we have spent and contemplate continuing to spend, as follows:

#### ECONOMIC AID BY UNITED STATES

WASHINGTON, May 23.—Following is a table showing how much economic aid has been committed to foreign countries by the United States in the years ended June 30, 1956, and June 30, 1957, and how much is contemplated in the year ending June 30, 1958. Military aid figures are not available on this basis.

The table was prepared by the International Cooperation Administration for a House Appropriations Subcommittee. As announced, but unsigned, \$75 million development loan fund loan for India has been added to the ICA figures for the current year.

Country	Year ended June 30, 1956	Year ended June 30, 1957	Year ending June 30, 1958 (estimated)
Afghanistan.....	\$18,300,000	\$14,391,000	\$5,800,000
Argentina.....	84,000	—	350,000
Bolivia.....	25,400,000	23,300,000	20,100,000
Brazil.....	3,604,000	4,512,000	4,700,000
Burma.....	—	—	12,700,000
Cambodia.....	45,100,000	34,500,000	26,000,000
Ceylon.....	5,000,000	6,083,000	1,400,000
Chile.....	2,174,000	2,456,000	2,500,000
Colombia.....	1,323,000	1,156,000	1,290,000
Costa Rica.....	907,000	994,000	1,050,000
Cuba.....	471,000	569,000	570,000
Dominican Republic.....	265,000	156,000	190,000
Ecuador.....	1,660,000	1,809,000	1,880,000
Egypt.....	2,623,000	686,000	—
El Salvador.....	934,000	1,069,000	1,000,000
Ethiopia.....	2,923,000	9,600,000	Classified
Ghana.....	—	360,000	500,000
Greece.....	26,800,000	25,700,000	15,700,000
Guatemala.....	18,176,000	17,518,000	12,400,000
Haiti.....	6,361,000	2,126,000	Classified
Honduras.....	1,156,000	1,324,000	1,350,000
Iceland.....	—	8,462,000	5,100,000
India.....	60,400,000	68,700,000	81,300,000
Indonesia.....	11,100,000	11,700,000	21,300,000
Iran.....	65,500,000	51,600,000	26,600,000
Iraq.....	2,277,000	3,640,000	2,200,000
Israel.....	23,984,000	26,847,000	9,000,000
Japan.....	900,000	2,300,000	2,500,000
Jordan.....	7,500,000	21,200,000	31,700,000
Korea.....	326,900,000	305,700,000	220,600,000
Laos.....	48,700,000	44,500,000	Classified
Lebanon.....	7,800,000	12,100,000	2,700,000
Liberia.....	1,782,000	1,716,000	2,000,000
Libya.....	7,520,000	19,280,000	12,400,000
Mexico.....	705,000	888,000	680,000
Morocco.....	—	20,067,000	Classified
Nepal.....	1,958,000	4,347,000	4,065,000
Nicaragua.....	756,000	681,000	900,000
Pakistan.....	106,700,000	98,700,000	55,800,000
Panama.....	1,096,000	1,023,000	1,170,000
Paraguay.....	1,801,000	1,530,000	1,480,000
Peru.....	2,819,000	2,594,000	2,850,000
Philippines.....	29,100,000	33,900,000	19,000,000
Saudi Arabia.....	—	22,000	25,000,000
Somalia.....	60,000	1,387,000	650,000
Spain.....	58,426,000	69,999,000	56,150,000
Taiwan.....	73,300,000	83,700,000	60,000,000
Thailand.....	34,500,000	34,500,000	24,000,000
Tunisia.....	—	8,489,000	Classified
Turkey.....	107,800,000	58,800,000	74,500,000
Uruguay.....	154,000	254,000	200,000
Vietnam.....	195,700,000	259,400,000	179,200,000
Venezuela.....	150,000	135,000	170,000
West Berlin.....	17,278,000	11,406,000	11,170,000
Yugoslavia.....	29,803,000	14,992,000	11,750,000

Mr. SYMINGTON. Mr. President, I shall vote for the bill, because the Commander in Chief assures us that the money involved is essential to the security of the United States.

Especially for one reason, however, I do so with reluctance.

That reluctance is because it is hard for me to support foreign industry and development to the tune of billions of dollars, while at the same time we sit idly by and watch American mineral industries go down the drain.

This Congress has utterly failed to provide any kind of aid for the copper, lead, zinc, acid-grade fluorspar and tungsten industries of this Nation. In addition,

the President so far has failed to use such remedies as are available.

We have been told time and time again that a healthy, efficient operating domestic mining industry is a necessary and vital component of the mobilization base.

Actually, there was no need to be told this. The conclusion that a healthy mining industry is important, not only to the economic welfare, but also to the national security, is inescapable.

Thousands of miners, particularly in the lead and zinc industry, are idle.

Their fellow workers still employed are working at reduced work weeks and reduced pay.

This idleness is a burden upon their communities; and also upon the unemployment insurance and welfare funds.

This idleness also is reflected in reduced income-tax revenue, both at State and national level; and this includes the companies which have laid these workers off, as well as the workers themselves.

Therefore, to repeat, it is with reluctance that I vote to provide these billions for foreign aid—some of which will assist in the development of foreign mineral resources—when at the same time we are treating our American miners and domestic industries in such shabby fashion.

Mr. KEFAUVER. Mr. President, I compliment the Senator from Missouri not only upon his statement on the bill proper, but also upon his concern for certain mineral industries and the employees who are out of work.

My own State of Tennessee has a copper industry and a zinc industry. I know they are largely closed down and that many employees are out of work. I had hoped that the minerals stockpile bill, which the Senate passed, would give some relief. Undoubtedly it would have given some relief, but it has not been given clearance by the Committee on Rules of the House. Is that a correct statement?

My SYMINGTON. I believe that is correct.

Mr. KEFAUVER. Does the Senator from Missouri know whether there is any possibility of getting action on the mineral stockpile bill at this session?

Mr. SYMINGTON. I do not.

Mr. KEFAUVER. I certainly hope that this bill might be reconsidered in the House, or that the program might be cut down, if necessary, because some relief is very necessary.

Mr. SYMINGTON. I thank my able and distinguished colleague for his kind remarks. It has become more and more evident that the United States cannot eat its cake and have it too.

Mr. RUSSELL. Mr. President, inasmuch as a yea-and-nay vote will not be had on the bill, I desire to state that I shall vote in the negative—against the bill. I do so without reluctance, and on one of the few occasions I can do so, on a vote on an important measure, without having any doubt.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the Record a letter from the President of the United States in connection with the bill.



There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington, August 4, 1958.  
The Honorable LYNDON B. JOHNSON,  
United States Senate,  
Washington, D. C.

DEAR LYNDON: As you know from our many conversations on the subject, the cuts in the mutual security appropriations have troubled me a great deal. The carefully planned program I submitted last February was cut by almost \$275 million in the authorizing legislation recently enacted by the Congress. The appropriation bill recently voted by the House of Representatives was further reduced by nearly \$600 million from this already reduced amount.

I am advised of your view that the Senate is likely to restore only \$440 million of the House cut. Of this \$440 million, I understand that \$90 million would be for defense support, \$15 million for special assistance, \$55 million for contingencies, and \$280 million for the Development Loan Fund. I have two reactions: First, that it falls short of the authorization by \$157.5 million and is that much too low; second, that, at our calculated rate of expenditures, it would at least bridge the adjournment period without forcing program changes that would unduly increase our risks. Thereafter, unless world conditions should improve, I would expect to request additional funds to meet the cost of our required programs. On this basis a \$440 million restoration would enable us to carry on our calculated programs until Congress returns.

It is, of course, the duty of Congress ultimately to determine how much this program requires. But before that decision is reached my duty is equally clear—to emphasize the utter gravity of the House cuts. The restoration of these funds is of the utmost importance to ourselves and to friendly nations throughout the world. I hope you will use this letter, to the degree you deem advisable, throughout the Senate, for in this matter the stakes for America are no less than crucial.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD immediately preceding the vote on the mutual-aid bill a statement by the distinguished senior Senator from New Jersey [Mr. SMITH] who was unavoidably absent.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY

It is a great regret to me that circumstances have prevented my being present on the floor of the Senate while the mutual-security appropriation bill is being considered.

It has been my sincere hope that the Senate would have been in a position to restore the full amount of the authorization as passed by both the House and Senate. I have some apprehension that anything less than

that may make the final figure suffer some further reductions in conference. In spite of the foregoing, if I were present, I would vote for the report of the Senate Appropriations Committee recommending a restoration of the \$440 million, and I feel the wisest course is to stand solidly for this with the hope and expectation that in our negotiations with the House and with the strong feeling on the part of the President, the final figure after conference will be substantially this amount.

The PRESIDING OFFICER. The question now is on the passage of the bill. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 13192) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HAYDEN. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. THYE, and Mr. DIRKSEN conferees on the part of the Senate.

Mr. CURTIS. Mr. President, I was unaware that a yea-and-nay vote would not be taken on the bill. I wish the RECORD to show that I voted against the passage of the mutual security bill.

Mr. COOPER. Mr. President, I desire to have the RECORD show that I voted for the passage of the mutual security bill. I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared on the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR COOPER

Today, I have voted for the amendment offered by the senior Senator from Louisiana [Mr. ELLENDER] to reduce the appropriation for military assistance by \$100 million below the \$1,515,000,000 recommended by the Senate Committee on Appropriations. Later, by pairing with the senior Senator from New Jersey [Mr. SMITH], I expressed my support for his amendment to reduce the appropriations for defense support by \$50 million below the \$790 million recommended by the committee. Both of these items deal with growing military assistance, military equipment or funds to other countries, 12 to 15 in number.

I voted to reduce the appropriation, because I believe our program of assistance is too heavily weighted on the side of military assistance, and too small on the side of economic assistance.

The total appropriated by the bill is \$3,518,092,500; \$2,305,000,000 is allocated for

military assistance to other countries. Conceivably, nearly all of the remaining \$1,213,092,500 could be used for economic assistance, but it is not likely that it will be. Actually, \$580 million is appropriated to the redevelopment loan fund for economic assistance, compared to the budget request of \$625 million, and still short by \$245 million of the amount the President asked for, and thought necessary for, the fiscal years 1957 and 1958.

Mr. President, countries in Asia, Africa, the Middle East, and our neighbors in Latin America, who have chosen democratic institutions and hold democratic value, are struggling against almost insuperable handicaps to build their economies and improve the standards of living of their peoples. Their chance to remain free and independent, for some countries, could depend on the ability of their governments to provide a better standard of living for their people.

These countries cannot advance unless they secure foreign exchange to purchase needed capital equipment, materials, and even food.

The Soviet Union recognizes that these countries are in the throes of an economic revolution. Khrushchev has declared that the Soviet Union is at war with the United States in this field of economic aid and trade, and they are at work, in the Middle East area. And now Russia is making gestures toward our neighbors in Latin America. I believe that Russia should help carry a part of the burden of economic assistance. It had done nothing during the Stalin years, while we gave our assistances freely to the newly independent countries of the world.

But now, we cannot withdraw from this field, or we will find ourselves isolated from the majority of the peoples of the world.

The honorable John Foster Dulles, Secretary of State, Under Secretary of State, Douglas Dillon, and indeed the President have spoken of the imperative necessity to provide funds for the development loan fund, from it loans can be made in an orderly fashion, and in a way, which preserving the self-respect of other nations, will promote better relations between the United States and other countries.

I believe our effort in this direction is still inadequate, and that we are placing a disproportionate emphasis on military assistance as compared to the Development Loan Fund.

These facts, in addition to the tremendous deficit which we will have this year, occasioned in chief by our national military budget of over \$41 billion, lead me to believe that \$100 million could be cut from military assistance to other countries.

The amendment having failed, I will vote for the Mutual Security bill as I have in the past, for it is an element of our national security—and our responsibility in the world.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, with reference to the mutual security appropriation, two exhibits relating to the Development Loan Fund.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:



## Announcements of loans by the Development Loan Fund to Aug. 4, 1958

Country	Amount	Date of notification	Purpose	Country	Amount	Date of notification	Purpose
Honduras.....	\$5,000,000	May 9, 1958	Road construction.	India.....	\$75,000,000	May 21, 1958	Import and purchase of equipment.
Taiwan.....	3,200,000	May 16, 1958	Taiwan Railway Administration.	Greece.....	12,000,000	June 20, 1958	Construction of fertilizer plant.
Turkey.....	10,000,000	do.....	Industrial development.	Thailand.....	1,750,000	do.....	Purchase of dredge.
Taiwan.....	2,500,000	do.....	Asia Cement Corp.	Paraguay.....	2,500,000	do.....	Equipment for building gravel road.
Ceylon.....	750,000	do.....	Purchase of diesel-powered coaches.	Pakistan.....	4,200,000	do.....	Economic development purposes.
Taiwan.....	686,000	do.....	Fishing industry.	Do.....	40,000,000	July 3, 1958	Assistance for 7-year program.
Ceylon.....	1,600,000	do.....	Irrigation and land development.	Total to Aug. 4, 1958.....	180,586,000		
Do.....	900,000	do.....	Road improvement and expansion.				
Pakistan.....	5,500,000	do.....	Water supply and sewage disposal.				
Israel.....	15,000,000	May 20, 1958	Import of equipment and materials.				

## Development Loan Fund

Loan recipient	Nature of loan	Interest rate	Terms of repayment of principal
Government of Honduras: \$5,000,000.	To assist in financing local currency costs of road construction.	3½ percent per annum, payable semiannually.	40 successive semiannual installments; payments of principal and interest to be made in Honduran lempiras.
Taiwan Railway Administration of Government of Republic of China: \$3,200,000.	To assist in improving and expanding locomotive and traffic control facilities in Taiwan railway system.	do.....	22 successive semiannual installments; payments of principal and interest to be made in new Taiwan dollars.
Industrial Development Bank of Turkey: \$10,000,000.	To assist the Industrial Development Bank in financing loans to meet foreign exchange costs of private industrial development in Turkey.	5 percent per annum, payable semiannually.	20 successive semiannual installments; payments of principal and interest to be made in Turkish liras.
Asia Cement Corporation of Taiwan: \$2,500,000.	To assist in expanding the cement production facilities of this privately owned corporation in order to meet an increasing demand.	5½ percent per annum, payable semiannually.	14 successive semiannual installments; payments of principal and interest to be made in new Taiwan dollars.
Land Bank of Taiwan: \$686,000.	To assist the land bank in making loans to private individuals and organizations for improvement and expansion of the fishing industry in Taiwan.	5 percent per annum, payable semiannually.	9 successive semiannual installments; payments of principal and interest to be made in new Taiwan dollars.
Government of Ceylon: \$1,600,000.	To assist in financing the purchase and import of equipment and materials for irrigation and land development and for rehabilitation of flood-damaged reservoirs.	3½ percent per annum, payable semiannually.	40 successive semiannual installments; payments of principal and interest to be made in Ceylonese rupees.
Government of Ceylon: \$900,000.	To assist in financing the expansion and improvement of roads in connection with Ceylon's 6-year road program and, initially, the rehabilitation of roads severely damaged by recent floods.	do.....	20 successive semiannual installments; payments of principal and interest to be made in Ceylonese rupees.
Government of Pakistan: \$5,500,000.	To assist in financing the import of equipment and materials for use in the construction of a water supply and sewage disposal system for the city of Karachi.	do.....	60 successive semiannual installments; payments of principal and interest to be made in Pakistani rupees.
Government of Israel: \$15,000,000.	To assist in financing the import of equipment and materials for economic development.	5¼ percent per annum, payable semiannually.	30 successive semiannual installments; payments of principal and interest to be made in Israeli pounds.
Government of India: \$75,000,000.	To assist in financing the purchase and importation of equipment, components, and materials for the expansion of transportation and selected industries in India.	3½ percent per annum payable semiannually, on railroad portion of loan (\$40 million); 5¼ percent per annum, payable annually, on balance of loan.	40 successive semiannual installments on railroad portion of loan; 30 successive semiannual installments on balance of loan; payments of principal and interest to be made in Indian rupees.
Government of Greece: \$12,000,000.	To assist in financing the construction of a nitrogenous fertilizer plant.	5¼ percent per annum, payable semiannually.	24 successive semiannual installments; payments of principal and interest to be made in Greek drachmas.

Mr. JAVITS. Mr. President, I desire to have the RECORD show that I voted for the passage of the mutual security bill.

Mr. LANGER. Mr. President, I desire the RECORD to show that on the voice vote, I voted against the passage of the mutual security bill.

## RELIEF OF CERTAIN EMPLOYEES OF THE DEPARTMENT OF THE NAVY

Mr. JOHNSON of Texas. Mr. President, H. R. 12212, for the relief of certain employees of the Navy, is now at the desk. The bill which is identical to S. 4184, introduced by the senior Senator from Maine [Mrs. SMITH], would relieve any Navy Department employee who was assigned to the Goleuk Navy Yard in Turkey during the period from November 23, 1955, to April 30, 1957, of any liability to refund any overpayment of per diem paid as the result of administrative error. The bill further provides for the payment of any funds withheld because of these overpayments.

Three private bills directed toward the same situation have passed the Senate. Approval of this bill would obviate the

necessity for consideration by the Committee and the Senate of an additional 13 private bills.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the bill.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 12212) for the relief of certain employees of the Department of the Navy, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the persons covered by the bill come from Maine, Massachusetts, New York, Pennsylvania, California, and South Carolina.

Sixteen persons, in all, are involved.

The amount in question, according to the Navy Department, is \$11,015.30.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to the proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

## CONVERSION OR EXCHANGE OF TERM INSURANCE ISSUED UNDER NATIONAL SERVICE LIFE INSURANCE ACT

The PRESIDING OFFICER (Mr. TALMADGE in the chair) laid before the Senate the amendments of the House of Representatives to the amendments of the Senate to the bill (H. R. 11382) to authorize the conversion or exchange, under certain conditions, of term insurance issued under section 621 of the National Service Life Insurance Act, and for other purposes, which were to strike out all after the enacting clause, and insert:

That, effective as of January 1, 1959, section 723 of title 38, United States Code, is amended as follows:

(1) Subsection (b) is redesignated as subsection (c).

(2) Insert the following new subsection immediately after subsection (a):

"(b) Any term insurance heretofore issued under section 621 of the National Service Life Insurance Act of 1940, may be converted to a permanent plan of insurance or exchanged for a policy of limited convertible 5-year level premium term insurance issued under this subsection. Insurance issued under this subsection shall



a number of terms before I arrived here. He served during that tenure of office with great honor and distinction. In our great city, along the sidewalks of Chicago, we are represented by many nationalities; people from far distant countries. We get along fine with all nationalities, breeds, and colors. I think in TOM GORDON we see the exemplification of a fine leader of the Polish race.

Mr. Speaker, I joint with the other friends of TOM GORDON in wishing him well. I am privileged to be a friend of his over a long period of time, and I extend to him my felicitations and best wishes that through the years that are to come he may have the best of health and he may have a much deserved rest.

Mr. O'HARA of Illinois. Mr. Speaker, I yield to the gentleman from Illinois [Mr. BOYLE].

Mr. BOYLE. Mr. Speaker, as a member of the Illinois delegation, it is my proud pleasure to address a few remarks in this 11th hour on the self-retirement of the chairman of the Committee on Foreign Affairs, our beloved colleague from Illinois, THOMAS GORDON. In THOMAS GORDON we see a healthful parallel between the 85th Congress and our departing friend.

This Congress is probably the least partisan peace-time Congress in the memory of the United States, and probably the most quietly productive in legislative achievement recorded as we approach the end of the legislative calendar.

This, the 85th Congress, has been undramatic, unbiting and in strictly headline terms it may not have made any national issues; but at no time has this Congress sought to nor has it divided our Nation. It has operated with none of the violent controversy and debate that sometimes characterizes and punctuates legislative assemblies.

It is not too hard to look in retrospect to see where, too often, controversy and bitterness oftentimes have left too many issues more clouded and more unsolved than when the Congressmen approached them.

When we go to the other aspect of the parallel, when we view the activities of our colleague, the chairman of the Committee on Foreign Affairs within that framework—yes, a beautiful framework—we see that he was one of the least partisan chairmen in our memory, and probably one of the most quietly productive chairmen in legislative achievement. Yes, he was quiet. He was unassuming, he was unbiting, and he never involved himself in mere search for headlines. He was not a headline hunter. He never sought to create national issues, and at no time did he try to divide the Nation. He operated without the benefit of violent controversy that oftentimes we see in too many places.

Mr. Speaker, as he leaves to go into his much-needed retirement, occasioned by ill health, I am reminded of that definition of a gentleman enunciated by Cardinal Newman who said:

He is tender toward the distant. He is merciful toward the absurd. He seems in

fact to be receiving when he is conferring, and he never indulges in controversy with better, perhaps, but less-trained minds.

It is almost the definition of a gentleman to say he is one who never inflicts pain. He is like a chair who is constantly giving comfort and consolation.

As a member of the Illinois delegation I know we shall miss Congressman GORDON. As the distinguished majority whip and other speakers have said, you cannot lose a man of this integrity and this intensity of purpose without suffering a grievous loss.

Mr. Speaker, I salute our colleague, and to him and his lovely family I wish years of good fortune and good health.

Mr. O'HARA. Mr. Speaker, I yield to my distinguished colleague from Illinois [Mr. LIBONATI].

Mr. LIBONATI. Mr. Speaker, I have had a very intimate acquaintanceship with the gentleman from Illinois [Mr. GORDON] because he ran for Congress in my district. This is what impressed me about him in 1942 when I was running for the first time for the Senate of the State of Illinois and he was running for Congress. THOMAS GORDON was an American. He was in an Italian-controlled district and was of Polish antecedents. He was a man of genial disposition, sweetness of character, and kindness in every move and every attitude. He was a man who liked people, and naturally, people of Italian extraction are very anxious to have friendly men and friendly leaders. He personified that type of person.

He received probably a greater plurality than any man who ever ran before him for that office on the near West Side. Sometimes, I might say, they were a little too enthusiastic. Nevertheless, TOM GORDON was an important man in that community.

There is a peculiar thing about men; the mental attitudes of men and their training, in the case of TOM GORDON, did not derive from the so-called schools of higher education.

TOM GORDON at an early age, after graduating from high school, had to seek employment and train himself for the sacrifices he had to make to support his family. Thus we have a typical character in American life, one coming from the common people, from foreign antecedents, who by his own development progressed to the point where he is at the head of one of the important committees of the Congress, dealing with the complexities of foreign policy. He has had the training that is necessary to cope with the responsibilities of a chairmanship. TOM GORDON took his place there with strength of purpose and a fine balance of judgment, and, with the cooperation of his fellow members, gave leadership to that committee, until he resigned.

I think as a man his true character was in his simplicity and sense of direction, that was his alone. He never sought importance. He lived to serve his fellow countrymen in the capacities in which he trained himself and in which he was trained by the eminent men in this Congress who preceded him.

I think it is a great loss to our community and to the country at large to have men who are similarly trained leave public life. Unfortunately, the Harvester of Them All decrees what men shall do, and their health determines their status. The most important thing for TOM GORDON is to regain and enjoy his health, which he lost by reason of the worries and tensions he experienced here.

I am very proud that at one time a portion of his district was in what is my present district.

The people of Illinois and, naturally, my leader, TOM O'BRIEN, are very proud to have us speak of TOM GORDON upon his departure from the House of Representatives at this time.

Mr. O'HARA of Illinois. Mr. Speaker, there are many Members here who would yet like to pay their tributes to TOM GORDON, but as we have taken up a considerable period of time, I ask unanimous consent that all Members wishing to do so may extend their remarks in this and succeeding issues of the RECORD about our colleague, TOM GORDON.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SAUND. Mr. Speaker, I shall always remember TOM GORDON as a dear friend and a beloved chairman of the Foreign Affairs Committee. As I joined the Foreign Affairs Committee I did so with diffidence, knowing how little voice in the deliberations of a committee a freshman can expect. Yet after 2 years of service under the leadership of TOM GORDON I can state this: At no time did I feel that I was a freshman. The chairman was always gentle, kind, considerate, and ever obliging. Last winter he appointed me as a one-man subcommittee to tour the countries of the Far East. He demonstrated his sincere faith in me. He offered his help and guidance in my mission. On my return when I reported on my assignment he gave me a pat on the back which I shall never forget. TOM GORDON was a great chairman and a true leader. My wishes go with him so he may enjoy his retirement with his lovely wife and fine family.

Mr. CHIPERFIELD. Mr. Speaker, it is with a sense of deep regret that our distinguished colleague and affectionate friend, TOM GORDON, is forced to leave the Congress because of ill health. It will be a great loss to the Nation and to this body not to have him here. He has been an outstanding legislator, an inspiring leader, and throughout his life a true Christian gentleman.

As chairman of the Committee on Foreign Affairs, TOM GORDON won the respect and admiration of all the members. He was completely devoted to his work and exerted always a fair and nonpartisan attitude having in mind what was best for his country. For all that he has done, the people of Illinois, the Congress, the people of the United States owe him a great debt of gratitude.

I want to join those who admired and loved him in extending to him and Mrs. Gordon our best wishes for good health and many years of happiness.



## HON. CLAIR ENGLE

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD on the retirement from the House of Representatives of my colleague, the Honorable CLAIR ENGLE, and that all members of the California delegation and such other Members of the House as may desire to do so may be given the same permission; further, that all such remarks appear in the permanent RECORD as of the last issue of this session.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

## RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair. Accordingly (at 10 o'clock and 3 minutes p. m.) the House stood in recess subject to the call of the Chair.

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11 o'clock and 26 minutes p. m.

## FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H. J. Res. 546. Joint resolution designating the week of November 21-27, 1958, as National Farm-City Week; and

H. J. Res. 704. Joint resolution establishing that the 1st session of the 86th Congress convene at noon on Wednesday, January 7, 1959.

The message also announced that the Senate agrees to the amendments of the House to the amendment of the Senate numbered 8 to the bill (H. R. 13856) entitled "An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3321. An act for the relief of George E. Ketchum.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 122. Concurrent resolution authorizing the Presiding Officers to sign duly enrolled bills and joint resolutions after sine die adjournment.

The message also announced that the Senate agrees to the report of the com-

mittee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13489) entitled "An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments numbered 2, 3, 10, and 12 to the above entitled bill.

The message also announced that the Senate recedes from amendment numbered 4.

The message also announced that the Presiding Officer appointed the Senator from Rhode Island, Mr. GREEN (chairman), the Senator from New Hampshire, Mr. BRIDGES, the Senator from Tennessee, Mr. KEFAUVER, the Senator from California, Mr. KUCHEL, the Senator from Washington, Mr. JACKSON, the Senator from Nebraska, Mr. HRUSKA, and the Senator from New York, Mr. JAVITS, members of the congressional delegation to attend the Fourth Annual North Atlantic Treaty Parliamentary Conference to be held in Paris, November 17-22.

The message also announced that the Presiding Officer had appointed the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Minnesota, [Mr. HUMPHREY], members of the United States delegation to the 10th session of the Biennial General Conference of UNESCO, to be held in Paris, November 4 to December 5.

## MUTUAL SECURITY APPROPRIATIONS FOR 1959

Mr. PASSMAN submitted the following conference report and statement on the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes:

## CONFERENCE REPORT (H. REPT. NO. 2704)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13192) "making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 6, and 7, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$750,000,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$400,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 8, 9, and 10.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
JOHN J. ROONEY,  
WILLIAM H. NATCHER,  
WINFIELD K. DENTON,  
HUGH ALEXANDER,  
GEORGE ANDREWS,  
CLARENCE CANNON,  
JOHN TABER,  
RICHARD B. WIGGLESWORTH (except as to amendment No. 4),  
GERALD R. FORD, Jr. (except as to amendment No. 4),  
EDWARD T. MILLER (except as to amendment No. 4),  
*Managers on the Part of the House.*  
CARL HAYDEN,  
RICHARD B. RUSSELL,  
DENNIS CHAVEZ,  
ALLEN J. ELLENDER,  
LISTER HILL,  
LEVERETT SALTONSTALL  
(with reservations),  
EDWARD J. THYE,  
EVERETT M. DIRKSEN  
(with reservations),  
*Managers on the Part of the Senate.*

## STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

## MUTUAL SECURITY

*Funds appropriated to the President Military Assistance*

Amendment No. 1: Changes citation as proposed by the Senate.

*Defense Support*

Amendment No. 2: Appropriates \$750 million instead of \$700 million as proposed by the House and \$790 million as proposed by the Senate.

Amendment No. 3: Reported in disagreement.

*Development Loan Fund*

Amendment No. 4: Appropriates \$400 million instead of \$300 million as proposed by the House and \$580 million as proposed by the Senate.

*Special Assistance*

Amendment No. 5: Appropriates \$200 million as proposed by the Senate instead of \$185 million as proposed by the House.

President's Special Authority and Contingency Fund

Amendment No. 6: Appropriates \$155 million as proposed by the Senate instead of \$100 million as proposed by the House.

*Corporations*

Limitation on administrative expenses, Development Loan Fund

Amendment No. 7: Limits administrative expenses of the Development Loan Fund to not to exceed \$1,250,000 as proposed by the Senate instead of \$1 million as proposed by the House.

*General Provisions*

Amendments Nos. 8, 9, and 10: Reported in disagreement.



The amounts contained in the bill agreed to by the conferees were too small in the view of some of the conferees, especially in the Development Loan Fund. It is understood that if additional funds are needed next January for the purposes contained in this bill, the Appropriations Committees of the House and Senate will give earnest consideration to the recommendations of the Executive in view of the importance of maintaining our friendly relations with countries with whom we have undertakings.

OTTO E. PASSMAN,  
J. VAUGHAN GARY,  
JOHN J. ROONEY,  
WILLIAM H. NATCHER,  
WINFIELD K. DENTON,  
HUGH ALEXANDER,  
GEORGE ANDREWS,  
CLARENCE CANNON,  
JOHN TABER,

R. B. WIGGLESWORTH (except  
as to amendment No. 4),  
GERALD R. FORD, Jr. (except  
as to amendment No. 4),  
EDWARD T. MILLER (except  
as to amendment No. 4),

*Managers on the Part of the House.*

Mr. PASSMAN. Mr. Speaker, I call up the conference report and statement on the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

Mr. PASSMAN. Mr. Speaker, I think this is the best report that the Subcommittee on Foreign Operations of the Committee on Appropriations has ever brought before this body. The conference has been a rather successful one for the taxpayer of the United States.

The budget request was for a total of \$3,950,092,500.

The conference bill calls for \$3,298,092,500, a reduction of \$652 million under the budget request.

When the bill left the House the new money provided was in the amount of \$3,078,092,500.

The Senate added \$440 million to this sum.

It was apparently generally assumed when we went over for the conference that the House was ready to accede to the \$440 million increase. The other conferees found out shortly after we arrived, however, that we were not going to agree to the amount added by the other body. Then they thought they had us in position for a \$300 million increase over the House bill; but we had other ideas about that, too. We have finally returned to the House with a saving of \$220 million from the total approved late today by the other body.

I think we must recognize, regardless of our personal feelings, that our Government has made commitments and incurred obligations throughout the world, whether with or without sound foundations or justification. We must, of course, provide the means to carry

out the commitments which have been made.

Therefore, I am going to support this conference report. I had hoped, Mr. Speaker, that there would be unanimous agreement in the House that we had done a creditable job and that our committee would perhaps be commended for engaging in a very difficult conference and bringing this bill back in the amount we are asking you to approve.

Upon return from the conference, however, I have learned that there may be a motion to recommit the bill. I hope no such motion is made, but if it is done I trust that it would not prevail. The bill now presented is a good bill, effecting substantial savings, and providing funds in sufficient amount to meet the commitments which our Government has made throughout the world. Whether we like those commitments or not, they have been made, and it is our obligation to fulfill them, while endeavoring to effect greater savings in the future.

Adding all of the obligated amounts and the sums unobligated from prior years to this bill as presented in the conference report, the total available for all commitments, new and old money, is \$8,498,084,500.

I trust, Mr. Speaker, that the House shall now support the committee and support the conferees.

Mr. BOSCH and Mr. WILLIAMS of Mississippi rose.

Mr. PASSMAN. I must yield first to the distinguished gentleman from New York, and then if it is agreeable to him I shall yield to the distinguished gentleman from Mississippi.

Mr. BOSCH. I thank the gentleman very much.

Mr. Speaker, I would like to ask the gentleman—

Mr. PASSMAN. I yielded to the gentleman from New York [Mr. TABER].

Mr. BOSCH. I am very sorry, but I am from New York also.

Mr. PASSMAN. I will yield to the gentleman from New York [Mr. TABER] and yield to you later.

Mr. TABER. I think I will yield to the gentleman from New York [Mr. BOSCH].

Mr. BOSCH. Thank you very much.

I would like to put the question to the chairman of the committee, and might I say that I am very gratified with the result of the conference that was had.

I would like to put this question: Could the distinguished gentleman from Louisiana tell us how much money in this bill will go to Tito or Yugoslavia, Poland, and other satellite nations?

Mr. PASSMAN. To be perfectly frank with the gentleman, some of these items are so secret I do not know myself. It all depends on the amount the President wishes them to have. The gentleman understands that this is in the hands of the President. This involves a lot of tax funds, and you have been supporting it for years on that basis.

Mr. BOSCH. I have not been supporting it for years.

Mr. PASSMAN. The Congress.

Mr. BOSCH. I have been opposed to it. I feel the time has come for us to sort of stand up to some of these na-

tions that have just about taken us for everything that we are worth and are delivering nothing to us.

Mr. PASSMAN. There is nothing earmarked for Yugoslavia.

Mr. BOSCH. That is left entirely to the Executive?

Mr. PASSMAN. Yes. That is my understanding.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. I think you have done a wonderful job, but where are we going to get this money?

Mr. TABER. From the same place we are going to get the money for all these other things that we have been passing here that we should not have passed. We will borrow it, I expect, which is one of the curses of the whole situation. We have to do that somehow or other between now and the next time we meet.

When we go home we are going to find our people not happy with these new burdens we have placed on the Treasury. We are going to find that they are very much disturbed by that situation and they are very much disturbed by the inflation that is caused by these enormous appropriations. We have to find some way that we can handle these things for less money or else we will have to raise taxes. That is all there is to it. That is the situation the country is in.

Frankly, Mr. Speaker, there is nothing in this bill that is committed to any particular nation, except \$50 million out of the defense support item which is earmarked for Spain. That is the only item that we have that is earmarked at all. The rest of it is dependent entirely upon what the Executive thinks is necessary for the maintenance of our position in the world and what is necessary to help keep the Russian group from crowding into our borders and making trouble for us.

Those who wanted a low figure in this bill are very happy tonight because this is a low figure. The trade that was made with the Senate conferees produced the lowest comparative amount that has been appropriated in a long time. That is the exact figure.

No one should vote against this conference report because anyone who feels that he may be uneasy about it and that he is opposed to the whole thing, those who wish a low amount, should be very well satisfied with the results.

Mr. Speaker, I think that is about all I want to say, except this: You heard what was read in the conference report when it was stated that the President might come in and ask for an item and the Congress would give it earnest consideration. I would ask the chairman of the subcommittee if that is not the way he understood it.

Mr. PASSMAN. Absolutely, that is my understanding. The report speaks for itself.

Mr. TABER. And anything that relates to the needs of the country has always, in my day, received the most earnest consideration on the part of the membership of the House.



Mr. WILSON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. WILSON of Indiana. I am sure that the gentleman from New York is well aware of the fact that this retiring Congress cannot in any way bind a succeeding Congress, and therefore any commitment made in behalf of this legislation will not bear any fruit in the 86th Congress. There may be a few of us who supported this find ourselves left back home with the taxpayers next January.

Mr. TABER. Well, I do not know, but I believe that whatever Congress is elected from time to time, no matter which party they may belong to, will do what it should to meet the responsibilities that we have to our people, to maintain the freedoms of our people and of our allies across the seas.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. GROSS. I commend the committee for having saved \$220 million of the Senate increase. On the other hand, the cold, hard fact is that the managers on the part of the House surrendered to the extent of \$220 million above the bill as approved by the House. I am sure the gentleman from New York was absolutely correct when he said that when we go home the people are going to ask about this reckless spending Congress, and I, for one, will find it difficult to explain why this appropriation was increased \$220 million. I am opposed to this conference report. It is time to stop spoon-feeding foreigners all over the world.

Mr. TABER. The gentleman from Iowa will have no reason to be disturbed about any feeling on the part of the public that he has not done his part in trying to keep down expenditures, and I do not believe that he will be questioned too much along this line. I think that we should agree to this conference report.

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I simply want to state for the RECORD that I signed this conference report with reluctance. I agree with the gentleman from New York [Mr. TABER] that this is a low figure. The total is \$652 million below the original request from the President of the United States. In my opinion, it is inadequate. In my opinion, we are taking chances which we ought not to take under existing world conditions.

Mr. PASSMAN. I also reluctantly signed the conference report, but for different reasons.

Mr. Speaker, I yield to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS of Mississippi. Mr. Speaker, the distinguished gentleman from Louisiana and his committee are to be commended upon the savings that they have effected for this Government, not in this conference report but in the initial bill that was reported to the House. They have split this conference

report on a 50-50 basis between the House and the Senate.

Even so, that, in my opinion, is no victory.

The distinguished gentleman from the State of Louisiana—and goodness knows, there is no Member of this House who has been more energetic, more devoted, to the interests of economy and the cutting down of this foreign aid program than he has—stated to this House but a few minutes ago that the figure which has been agreed upon by the conference committee is the absolute minimum which we can accept for the defense and security of this country, or words to that effect.

Those are exactly the same words that he used when the bill was initially before the House, when the committee figures were \$220 million below the figures that he attempts to justify tonight.

The President of the United States will tell the people of the United States, undoubtedly, that the Congress has spent in this Congress \$3,298,092,500 on foreign aid, that that is all that we are giving away to these foreign countries. He will not tell them that the unexpended balance remaining in this international WPA amounts to \$8,278,084,500. With the addition of the \$220 million that is provided over and above the House figures, there will be available for expenditure for foreign aid \$8,498,084,500. Please do not go back and tell the people that you are only spending \$3 billion; tell them the truth; tell them you are spending \$8,498,084,500 on foreign aid. And you are charging that to the American taxpayers.

Yes, it is my intention to offer a motion to recommit, if I can be recognized, to do so, with instructions to the House conferees to stand by the House figure.

I would like to ask my distinguished friend from Louisiana whether in the 13 years that this program has been in existence the Senate has failed to raise the House figure in one single year.

Mr. PASSMAN. I do not recall any instance where the Senate reduced this particular bill. But I should like to direct the attention of the distinguished gentleman from Mississippi, that the Members of the other body are also elected officials. You cannot just go over there, hit them over the head and say, "Either take this or you will not get any bill at all." If the gentleman has any method by which he can cause the Senate to recede on all these figures, I certainly hope he becomes a member of this committee. We would welcome counsel and advice on some plan which we might use to force the Senate to recede 100 percent on all the figures they add to the House bill.

Mr. WILLIAMS of Mississippi. Mr. Speaker, let me say, if I were on the committee, I would vote exactly the same as the gentleman from Louisiana, except for one thing: I would not vote to raise it a nickel. I would stay there until torment froze over. In view of what the gentleman has said on the floor when this bill was up for consideration initially, it is sad for me to see him reverse his position and agree to an additional

\$220 million of lagniappe for these foreign countries.

Mr. PASSMAN. The gentleman has an open mind. My wishes are not always going to prevail.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I would remind the House that just a few hours ago this House voted to increase the ceiling on the national debt from \$275 billion to \$288 billion. That is more than the combined national debt of all the countries on the face of this earth. With that national debt, we are contributing out of our tax monies to all but some 20 of the countries on the face of this earth, and I think it is time that we used some degree of prudence in determining how much money we are going to throw away in these foreign countries.

Mr. PASSMAN. Let me say to the gentleman that our personal views may be the same, but I do not represent PASSMAN on this committee; I represent this House.

Mr. Speaker, I yield to the distinguished gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I want to say to my friend from Mississippi and other Members of this House that I am just as much opposed to this foreign-aid program as he is. I voted against the authorization bill and voted against the appropriation bill. But I am for this conference report because you must recognize certain facts of life. I commend our chairman for having saved \$650 million below the amount requested by the budget.

Mr. PASSMAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, when our forefathers formed this Government they made the legislative branch a bicameral body. We have two bodies of equal dignity. Therefore, neither body can dictate the legislation which is enacted.

Our distinguished chairman, and I have worked with him for many years, has done a magnificent job on this bill. We went over to the other body. We had hoped that we would reach an agreement in a very short while, but we fought for hours. We recognized the equal dignity of the two bodies and we reached a 50-50 compromise agreement. I think it is a good agreement. I again commend our chairman for the excellent job he has done, and urge the House to accept this conference report.

Mr. PASSMAN. Mr. Speaker, I yield the remainder of the time to the distinguished gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, I shall take just 1 minute, not on the conference report, but because the Members of the House would perhaps like to know how much money they have appropriated in this session.

The estimates received from the President for this session for the fiscal year ending June 30, 1959, were \$73,272,658,573.

Mr. TABER. Mr. Speaker, will the gentleman yield?



Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. That figure, however, does not include the permanent appropriations of over \$8,300,000,000.

Mr. CANNON. In answer to the gentleman's suggestion, let me say that our revenues for this fiscal year are \$67 billion. We are spending this year \$79 billion. That \$79 billion includes the \$8 billion of permanent appropriations.

Of course, as everyone is aware, the larger part, practically all of the permanent appropriation, is for interest on the national debt. We are providing now approximately \$8 billion a year merely as interest on the national debt. But the \$79 billion we are spending this year includes the amount referred to by the gentleman from New York.

Expenditures and appropriations are two different things. This is the spending administration we have had in time of peace in the history of the United States. The President has sent up requests for more money than was ever requested before in time of peace, and this Congress in response to the request by the President is appropriating more than ever before. It has been a record-breaking session. But we have saved a little out of the President's estimates.

Out of these estimates we have appropriated only \$72,563,746,248. That is \$619,183,325 less than the President asked us to appropriate.

Let me say that in this \$72 billion we have appropriated this session, there are millions of dollars which need not have been spent. A half dozen men could sit down around a table with blue pencils and cut out of these appropriations millions of dollars without in anyway materially interfering with the economy of the country or the operations of the Government.

If every chairman of every subcommittee had been as efficient and as sensible and as economical as the gentleman from Louisiana, it would not have been necessary for us to pass the bill raising the ceiling on the public debt.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. The thing about this situation that disturbs me very much is that there have been items in public debt transactions which made money available to different agencies of the Government to the tune of about \$3 billion that were not even given a recommendation from the budget. That has to be added to all of the other amounts of money that the Congress has appropriated. Those things were not budgeted at all or at least all of them were not budgeted at all.

Mr. CANNON. In response to what the gentleman says, let me say that at a critical time in our history, when our revenues were declining and are continuing to decline, we have pushed our expenditures up. At a time when we are menaced from abroad in a more dangerous way than ever before and in complete disregard of the fact that it is as important a military precaution to keep

the country solvent, we have spent money more recklessly than ever before.

So, Mr. Speaker, I include a tabulation of the appropriation bills for the session

and ask unanimous consent to insert the usual annual résumé of estimates and appropriations at the conclusion of the conference report.

	Estimates	Final appropriations	Increase (+) or decrease (-)
Agriculture.....	\$3,320,888,539	\$3,191,875,539	-\$129,013,000
Commerce.....	982,721,000	971,214,000	-11,507,000
Defense.....	38,785,970,000	39,602,827,000	+815,857,000
District of Columbia.....	27,660,600	22,860,600	-4,800,000
General Government.....	15,814,870	15,679,870	-135,000
Interior.....	414,484,600	459,675,950	+45,191,350
Labor-HEW.....	2,975,437,181	3,142,606,981	+167,169,800
Legislative.....	123,846,669	123,297,387	-549,282
Military construction.....	1,730,653,000	1,353,850,000	-376,803,000
Public works.....	1,077,356,000	1,118,128,835	+40,772,835
State, etc.....	589,285,011	577,904,113	-11,380,898
Treasury-Post Office.....	4,121,969,000	4,108,108,000	-13,861,000
Supplemental, 1959.....	4,081,154,221	3,697,305,478	-383,848,743
Deficiency and Supplemental, 1958.....	4,903,035,882	4,879,893,095	-23,162,787
Independent offices.....	6,171,270,600	6,090,156,900	-81,113,699
Mutual security.....	3,950,092,500	3,298,092,500	-652,000,000
Grand total.....	73,272,650,573	72,653,476,248	-619,183,325

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

Mr. BOW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOW. I am opposed to the bill.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion.

The Clerk read as follows:

Mr. Bow moves to recommit the conference report on the bill H. R. 13192 to the conference committee for further study.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WILLIAMS of Mississippi) there were—ayes 38, noes 186.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair has just counted more than a quorum.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: Page 2, line 8, strike out "\$700,000,000" and insert: "\$790,000,000. *Provided*, That not less than \$50,000,000 thereof, shall be available for Spain exclusive of technical cooperation."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 7, line 1, insert:

"Sec. 106. The appropriations and authority with respect thereto in this act shall be available from July 1, 1958, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1958, and the date of enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 7, line 8, insert:

"Sec. 107. None of the funds provided by this act nor any of the counterpart funds generated as a result of assistance under this act or any prior act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10. On page 7, line 14, insert the following:



"Sec. 108. Not to exceed 50 percent of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: *Provided*, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives."

Mr. PASSMAN. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

[Mr. CANNON addressed the House. His remarks will appear hereafter in the Appendix.]

#### RESIGNATION FROM COMMITTEE ON APPROPRIATIONS

The SPEAKER laid before the House the following communication which was read:

AUGUST 23, 1958.

Hon. SAM RAYBURN,

*Speaker of the House, House of Representatives, Washington, D. C.*

DEAR MR. SPEAKER: In view of the fact that I am about to retire from the Congress, I hereby submit my resignation as a member of the House Committee on Appropriations to take effect forthwith.

Sincerely yours,

RICHARD B. WIGGLESWORTH.

The SPEAKER. Without objection the resignation is accepted.  
There was no objection.

#### ELECTION OF MEMBER TO COMMITTEE ON APPROPRIATIONS

Mr. MARTIN. Mr. Speaker, I offer House Resolution 695:

House Resolution 695

*Resolved*, That EDWIN H. MAY, JR., of Connecticut, be and he is hereby, elected a member of the standing Committee of the House of Representatives on Appropriations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE HONORABLE HENRY J. LATHAM, THE HONORABLE WILLIAM R. WILLIAMS, THE HONORABLE FREDERIC R. COUDERT, THE HONORABLE EDMUND P. RADWAN, THE HONORABLE RALPH W. GWINN, AND THE HONORABLE BERNARD W. KEARNEY

(Mr. TABER asked and was given permission to address the House.)

Mr. TABER. Mr. Speaker, New York State has been especially unfortunate in the loss of Members who are retiring from the Congress at the end of this session.

HENRY J. LATHAM has been with us for a long time and has done a good job as a member of the Committee on Rules.

WILLIAM WILLIAMS has been a member of the Committee on Agriculture for a long time and has made a very fine impression.

FREDERICK COUDERT has been a member of the Committee on Appropriations and is one of the most able men in the House.

ED RADWAN has been a member of the Committee on Foreign Affairs and has done a very good job until he was overcome by illness from which we all hope he will recover.

RALPH GWINN was a member of the Committee on Education and Labor. He is the ranking member at this time. He has devoted himself ably to his work.

BERNARD KEARNEY was a member of the Committee on Un-American activities and of the Veterans Committee; and, as a veteran of long standing, he had had a very considerable influence upon veterans' legislation that has been passed here in the last 15 years.

We are all sorry to see them go, and I wish to pay this little tribute to them at this time.

Mr. KEATING. Mr. Speaker, I desire to join with my other colleagues in this deserved tribute to the gentlemen from New York who are retiring this year.

FRITZ COUDERT came here with me in the 88th Congress. He has proved himself a legislator of exceptional talents and has performed in an outstanding manner on the Committee on Appropriations.

HENRY LATHAM has assumed a position of leadership as a member of the powerful and important Rules Committee. He has always been willing to lend his wise counsel to others who so frequently have sought his advice.

PAT KEARNEY in his diligent work on the Veterans' Affairs Committee and the Committee on Un-American Activities has made significant contributions to the work of the Congress. His fine legal mind and distinguished military background have marked him as an outstanding Member.

RALPH GWINN has had a unique impact on the work of the Congress. He is a devoted conservative who is an articulate and eloquent advocate of the causes in which he so sincerely believes. RALPH has always evidenced a gracious willingness to listen to and consider the views of those with whom he might disagree, truly the mark of a noble character.

BILL WILLIAMS, who has served with such faithfulness and devotion in a quiet and effective way, has been another to whom many of us have turned for advice, particularly on matters affecting the interests of our farmers. He has always rendered wise counsel cheerfully and generously. Our hearts have been saddened by the unusual personal troubles which BILL has suffered during the past year. We all hope the future will be brighter, as he so richly deserves.

ED RADWAN whose diligent service in the House, especially in the field of foreign affairs, was interrupted by serious illness, will also be sorely missed. His popularity in his district has been attested by unusually large votes of confidence. It is the hope and prayer of all of us that he will soon be restored to full health and vigor and will once again be enabled to make his valuable contributions in public service.

To all of these fine retiring New York Members go our gratitude for their devoted service and for their many manifestations of firm friendship.

Mr. BOSCH. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. BOSCH. Mr. Speaker, I join in the comments made by the distinguished gentleman from New York who is paying tribute to those of our Members who are leaving at the end of this session. I particularly want to pay my homage and respect to one of my closest and dearest friends, the distinguished Member HENRY J. LATHAM. Mr. LATHAM and I run in a parallel area in the county of Queens. He has served with distinction in this body for a period of 14 years. I feel that I would be remiss if I did not pay my respects to these Members who have contributed so much in the halls of the Congress. HENRY LATHAM, who came to Congress actually from the battlefield, if you please, in that he was on the high seas serving as the commander of a ship in battle when he was elected from his district, demonstrated his ability first on a minor committee and then on the Committee on Rules. He believed in true American principles and in the individual rights of an American citizen and has demonstrated more than anyone else what this country means to us. I am very happy to join with my distinguished chairman in saying Godspeed and good weather to all of you.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I, too, want to join the gentleman in paying tribute to these Members who are leaving, and I wish that I could mention each one of them. But, particularly I want to pay my respects to my friend, DICK WIGGLESWORTH, who is leaving the Congress at this session. DICK and I served together on the Foreign Aid Committee. It has had numerous names during its existence, but we served together on that committee since its existence. It has always been a pleasure to work with him. In my judgment, he is one of the ablest and most meticulous Members of the Congress. I have been delighted to serve with the gentleman. He has always been a gentleman, and it is with great regret that I see him leaving the Congress.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Speaker, I would certainly like to associate my views with the distinguished gentleman from New York [Mr. TABER] in paying tribute to all of the Members who are leaving, particularly DICK WIGGLESWORTH. We served on the same Committee on Appropriations for many years, and I can say that we disagree often, but we do so without being disagreeable. I regret very much that he is leaving our committee. We are going to miss him, and I certainly hope that in his retirement he will enjoy himself and rest, and come back and see us often.



malcontents may say the same unpleasant and untrue things about us that the Kremlin already says in sixty languages beamed to all parts of the world every day of the week? If you desire to punish, then invoke the criminal law—do not deny a passport. If you want to punish a Communist then indict him for violation of some act—say the Smith Act. Refusal of passport never should be a matter of sanction.

Gentlemen, there is an old Latin maxim, "cessante ratione, cessat ipsa lex" the reason for the law having ceased, the law itself ceases. If there ever was a reason in peacetime for preventing the travel of Americans who were not under criminal prosecution or sentence, our experience with the passport denials of recent years shows that the best reasons advanced by the State Department have, when tested, proved meaningless.

There is another side to this problem. Up to now I have been talking about the denial of passports to individuals. However, there is also the question of geographical limitations which affect all Americans traveling abroad. Thus, the State Department has, during recent years, prohibited travel to Red China, Bulgaria, Hungary, Albania, North Korea, North Viet-Nam, Egypt, Israel, Jordan, and Syria. This affects all citizens and not just those of doubtful loyalty. Its effect is to seal off from the eyes of our people large areas of the world. This policy directly contravenes the very basic right upon which any democracy must be based—the right of its people to see for themselves and to learn so that they can make intelligent decisions.

Now, the argument is made that the Secretary of State must have the authority to prevent travel to certain areas for the personal protection of the traveler. If that, in fact, is the purpose of such bans, is it not sufficient to warn prospective travelers that in certain designated areas the United States may not be able to give its usual protection? I believe that this is preferable to limiting a constitutional right for the purposes of foreign policy. Section 5 of my bill provides for warning passport applicants but prohibits forbidding travel to those areas.

I hold the right of an American to find out for himself more important than prohibitions on travel like that which the State Department imposed on Egypt, Israel, Jordan, and Syria in 1956, two days after all parties to the hostilities had formally agreed to a cease-fire. How ludicrous to issue a bar after the trouble was over and the shooting had stopped. This prohibition, I might add, continued until April 1, 1957, a period during which no other country in the world found that the safety of its nationals required such a law, and I include Britain and France, two of the belligerents. There was complete peace during those 6 months. The countries involved complained that their tourist trade had been greatly hampered and curtailed.

The argument is often made that warning American nationals that they

cannot be protected in certain areas is not enough. It is argued that if, in fact, American nationals are abused in a foreign country, the United States is put in an untenable and embarrassing position. I dispute this conclusion. First of all as to the American national, the United States has absolved itself of any duty to come to his assistance by its prior warning. Secondly, as to the effect on the prestige of the United States in the eyes of the world community, it is not the United States which loses stature, but it is rather the nation which has defied fundamental human principles in its abuse of innocent travelers.

I come now to section 6 of this bill which deals with procedural due process. Briefly, it would make the Administrative Procedure Act without exceptions applicable to all passport proceedings. Since the bill allows the denial of passports in peacetime only to those under prosecution or sentence, the procedural difficulties which we have experienced in this field become moot.

Gentlemen, the problem which you have before you today is in no sense a partisan one. Both Democrats and Republicans have espoused the basic principles upon which this bill is predicated. In 1951, President Truman, remonstrating against the refusal of a totalitarian government to allow its citizens to go abroad, said, "We shall never be able to remove suspicion and fear as potential causes of war until communication is permitted to flow, free and open, across international boundaries." And 5 years later, in July 1955, President Eisenhower called upon the nations of the world to "lower the barriers which now impede the opportunities of people to travel anywhere in the world."

It is high time for Congress to put an end to a contradictory policy which has been a continuous source of embarrassment abroad. I think that it is also time for us to lay aside our paralyzing fears and to reaffirm our faith in the strength of democratic process by acting favorably on right to travel legislation.

Unfortunately there has been established in our country a climate of fear and suspicion of freedom—indeed a widespread fear that our Bill of Rights is dangerous—that freedom is over extended and its restriction is desirable. I believe our greatest national danger is that of the paralysis of fear gripping us. On the one hand we make a great to-do of the strength of our democratic institutions, of our foundation of government of law, and of our great development of industrial, social and spiritual power under these principles, and on the other hand, internally we seem to cringe, not before the thought of the impact of a hydrogen bomb, but before the thought of the impact of ideas.

Courage to travel to the moon, yes—as we seem to be doing—but courage in the market place of ideas—no.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND REMARKS

Mr. SELDEN. Mr. Speaker, I ask unanimous consent that all Members have permission to extend their remarks immediately prior to the passage of the bill H. R. 13760.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

#### RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Accordingly, at 4 o'clock and 12 minutes p. m., the House stood in recess subject to the call of the Chair.

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6 o'clock and 15 minutes p. m.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 13192. An act making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. HILL, Mr. SALTONSTALL, Mr. KNOWLAND, Mr. THYE, and Mr. DIRKSEN to be the conferees on the part of the Senate.

#### MUTUAL SECURITY APPROPRIATIONS BILL, 1959

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 13192) making appropriations for mutual security for the fiscal year ending June 30, 1959, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I wonder if we might have some information from the gentleman as to what the other body did in connection with this bill.

Mr. PASSMAN. It is my understanding that the other body followed the recommendations of the Appropriations Committee of the Senate and put back \$440 million, that is, increased the House bill by \$440 million.

Mr. GROSS. I wonder if I might ask the gentleman, is it the purpose of the conferees on the part of the House to



insist upon the House version of this bill?

Mr. PASSMAN. It is always the purpose of the conferees on appropriations bills to insist on the House version.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PASSMAN, GARY, ROONEY, NATCHER, DENTON, ALEXANDER, ANDREWS, CANNON, TABER, WIGGLESWORTH, FORD, and MILLER of Maryland.

#### CORRECTION OF RECORD

Mr. MINSHALL. Mr. Speaker, on August 25, when the bill S. 3046 was being considered, I was unavoidably absent. I instructed the Minority Pair Clerk to pair me as "against" on rollcall No. 188, which was not done, and instructed him to pair me as "for" on rollcall No. 187, which also was not done. I ask unanimous consent that the permanent RECORD may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### CORRECTION OF VOTE

Mr. CHRISTOPHER. Mr. Speaker, on rollcall No. 196 today I am recorded as voting "nay." I did not vote because I was not in the Chamber at the time. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### HON. GEORGE SHUFORD

The SPEAKER. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, when Congress convenes in January, our beloved colleague, GEORGE SHUFORD, will not be with us. He is voluntarily retiring to the "Hills of Home." He is going back to the majestic mountains, the lofty peaks, and lovely lakes of his native State. He is going home to live with his loved ones and friends.

Wonderful and mysterious are the vicissitudes of human life; frail and precarious are our very best holds on human happiness. Here in this hall many of our colleagues have grown grey with age. The grim reaper has taken away many of our friends and has swept them from the shores of sound to the great realm of silence and upon others the heavy hand of affliction has fallen.

GEORGE SHUFORD will take with him into retirement the love and affection of his colleagues who have enjoyed his friendship during the time that he has served here so faithfully. GEORGE SHUFORD, by his sterling character, his courteous and courtly manner, has endeared himself to all of us. He is a dedicated and devoted public servant. He has lived magnificently and his life has been

a blessing to the people he has so well and ably represented. I extend to him every good wish for his personal welfare and happiness.

Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DURHAM. Mr. Speaker, I am glad to join with my fellow members of the North Carolina delegation in saying hail and, regretfully, farewell to our good companion and colleague, GEORGE SHUFORD. I have known GEORGE for many years—dating back to his university days at Chapel Hill, and through the years our friendship has deepened and has become especially meaningful since he joined the North Carolina delegation here in the halls of Congress as the able Representative of the 12th district.

While all of us realize that his health is of primary importance, we nevertheless regret that he will not be with us in the 86th Congress. We will miss his companionship, his keen sense of humor, and his never-failing cooperation in enterprises and activities of common interest to our State and to the Nation. He has made an indelible impression on all who have associated with him here—both old friends and new. We wish for him and confidently expect a full return to health and strength back in the beautiful mountain country where he lives, and we know that he will continue in the path of dedicated service to the people of his State and to the country which he has served so effectively as he returns to private life and to the practice of law.

Mr. WHITENER. Mr. Speaker, as the 85th Congress comes to a conclusion I am confident that many of my colleagues have the same feeling of regret that I experience in the realization that the distinguished gentleman from North Carolina, Hon. GEORGE A. SHUFORD is retiring from the Congress.

GEORGE SHUFORD has been a valuable Member of this body. Above all, he has been a most capable representative of the people of North Carolina during the three terms that he had served them in Washington. No man has been more diligent than he in presenting the best philosophy of government in every official and private act that he has done. This diligence and fidelity has been characteristic of GEORGE SHUFORD throughout his life. As an attorney, soldier, State legislator, trial judge, and Congressman he has fully measured up to the highest standards.

It has been my privilege to know and be associated with Judge SHUFORD for many years. My first intimate acquaintanceship with him came through my work as district prosecuting attorney while he was serving as one of the judges of the superior court of North Carolina. Through that association I came to appreciate him as a Christian gentleman and painstaking jurist. His kindness to and consideration of the humblest

citizen in the courts was one of his outstanding qualities then. When I came to Washington in 1957 as a new Member of the North Carolina delegation he was among the first to tender his cooperation and good wishes. Time cannot erase from my heart and mind the sentiments of profound appreciation I have for this good man and his fine works.

As he was successfully waging a campaign for renomination in the Democratic Primary this year he was stricken with the illness which has caused him to surrender his position in Congress. His countless friends in North Carolina and the Nation were saddened that such a wonderful man should be the victim of such an experience. But, Mr. Speaker, I know that our distinguished colleague has accepted this vicissitude with the same philosophical attitude that has been his throughout his lifetime. His deep Christian faith has sustained him and I express the confidence that through that faith he will find the means of rendering great service to our Nation and the kingdom of God for many years to come.

So, Mr. Speaker, as our splendid friend goes into retirement in the mountains of western North Carolina, which he loves so much, I want to add my words of appreciation to those expressed by our other colleagues for the life and works of our lovable friend, GEORGE SHUFORD.

Mr. SCOTT of North Carolina. Mr. Speaker, it is with sincere and deep regret that I learn of the retirement of Judge GEORGE A. SHUFORD from Congress. I shall always be grateful to him for his helpfulness to me during my first term in the House. His advice and suggestions from time to time have been most helpful to me. I have not yet found him in error. He is one of the most genial and genuine gentlemen I have ever known. His simple, frank, modest, and friendly manner is not assumed; it is a result and bespeaks the man beneath. He is one of the few men of whom I have heard no critical word spoken. If others have disagreed with his views, they have not questioned his sincerity and high purpose. The people of the 12th Congressional District have been most fortunate to be represented by a man of Judge SHUFORD's quality. He has enjoyed as well as deserved the respect and admiration of his fellow Members of Congress and has made many notable contributions to his district and to the Nation. I join other members of the North Carolina delegation and his many friends here in the House in wishing Judge SHUFORD good health and happiness and the very best of all that life has to offer.

Mr. KITCHIN. Mr. Speaker, I had a deep sense of sadness when my distinguished colleague and close friend, Judge GEORGE SHUFORD, announced his intention to retire from the Congress at the end of this year. While his decision to retire is regretted by all of those who have enjoyed close association with him here, I am sure it is wise from the standpoint of his personal welfare.

In his retirement, the House will lose the services of a great American who has continuously had the interest of his



# Senate

[Senate proceedings continued from  
p. 17899]

## MUTUAL SECURITY

Mr. O'MAHONEY. Will the Senator yield for two insertions?

Mr. PROXMIRE. I yield, provided I do not lose the floor.

Mr. O'MAHONEY. Mr. President, because of a House-Senate conference today, I was unable to speak upon the Mutual Security Appropriation bill. I therefore ask unanimous consent that my statement may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

### THE UNITED STATES IS LIVING BEYOND ITS MEANS AND CANNOT SUCCESSFULLY SUPPORT THE WORLD ON DEFICIT SPENDING

The United States is living beyond its means. This solemn fact should be printed in red letters on the front page of every newspaper in the country. It should be broadcast every hour, on the hour, from every radio and television station in America.

For, if Congress allows these extraordinary expenditures to continue, the country will not only be unable to support the world, it may be unable to support itself.

#### DEBT LIMIT INCREASED TWICE THIS YEAR

I say the Nation is living beyond its means and I make this statement not as a critic of the administration but as a Senator of the United States who has read the testimony of the Secretary of the Treasury Robert B. Anderson before the Finance Committee on August 15 last. Twice within this year Secretary Anderson acknowledged that he has appeared before the committees of Congress to ask for an increase of the statutory limit on the public debt. These are his words: "I appeared before this committee last January to urge the enactment of a bill to provide a temporary increase of \$5 billion in the statutory limit on the public debt. The bill was enacted and approved on February 26, 1958 and provides a temporary increase from \$275 billion to \$280 billion until June 30, 1959."

Last night this Senate, in response to the President's second request on July 28, passed the bill increasing the permanent (not the temporary) debt limit to \$283 billion, so that the overall debt limit, now that this bill has been agreed to by the House, will be \$238 billion.

Although \$5 billion of this will be temporary through June 30, 1959, nevertheless at this moment the new debt limit for this fiscal year is fixed at the figure requested by the President, namely \$288 billion. Twice in 1 year, because we have been spending more money than we can raise by taxation, we have authorized the Treasury Department to borrow \$10 billion more than the \$275 billion ceiling of last January. Thus it is clear that we are living beyond our means.

Secretary Anderson has explained the reason so that nobody need be in doubt. He told the Finance Committee a week ago yesterday that the Treasury could "no longer operate with a \$5 billion temporary extension of the \$275 billion limit because we cannot look forward to a debt of \$275 billion or

less on June 30, 1959. The estimated deficit will result in the public debt outstanding on June 30, 1959, of nearly \$285 billion."

#### CUT IN MUTUAL-SECURITY FUNDS COULD REDUCE DEFICIT

The mutual-security program offers an opportunity for economy by which this deficit can be at least partially reduced. Condemned as it is by the General Accounting Office as wasteful and ineffective in many of its aspects, Congress must think twice, indeed should think a dozen times, before further risking the substance of this country in programs, particularly of military expenditure, in foreign countries over which Congress can and does exercise little, if any, control. If we would lead the world to freedom it must be by husbanding our own resources instead of wasting them in enterprises we cannot supervise. The appropriations in the mutual-security program are made to the President in name, but the expenditure of these moneys is made by subordinate employees here and abroad whose activities are actually beyond our control.

#### OUR INCOME LAGS BEHIND EXPENDITURES

Secretary Anderson made it clear that ever since 1954 public-debt obligations were being issued by the Treasury Department "in excess of the permanent debt limit." The Department was hoping that the excess expenditures could be repaid from tax collections prior to the expiration of the temporary debt limit, Secretary Anderson said, but then added "in the situation we now face that is not the case." In other words, it is the testimony of Secretary of the Treasury Anderson to the committee, to the Congress, and to the country that tax collections now foreseeable are not enough to pay the expenditures we are currently making.

#### ANOTHER DEBT LIMIT INCREASE LOOMS

The country doesn't know it, but Secretary Anderson knows it, and he told the Finance Committee on August 15 that "we should bear in mind that at current rates of expenditure the Treasury is spending approximately \$1,500,000,000 on every 5 working days." Then he added, "With increased expenditures contemplated for next year these expenditures would increase. It would appear that the only sound course at the present time is to permanently increase the statutory limit to \$285 billion." Then he added that a further increase of \$3 billion was desirable to provide a margin for contingencies.

#### CONTINGENCIES ARE PROVIDED FOR IN FOREIGN SPENDING

Let it be remembered that in the mutual security bill before us there is a contingency fund for expenditure by the President of \$155 million, whereas there was no such appropriation in the mutual security appropriation bill for 1958. The only explanation of this contingency fund for mutual security contained in the President's request or the report of the committee is that it is intended to meet situations "which can be foreseen but without certainty as to the amount which may be necessary," as well as to contingencies which cannot be foreseen.

The contingencies which face the Treasury are more important to the people of America and to the people of the world than the contingencies for which provision is made in the mutual security bill. This I say, because it must be apparent to anybody who is willing to look at the facts, that the decline

in our revenues is actually a threat to our survival.

#### REVENUE IS DROPPING

Don't take it from me. Take it from Secretary Anderson. This is what he told the Finance Committee: "Now the deficit which has occurred at the end of this fiscal year is essentially brought about by a decline in revenues.

"In January we estimated there would be \$72.4 billion of revenue. The revenues which have been collected thus far are \$69.1 billion. \* \* \* Now the deficit which is anticipated for fiscal 1959 is represented generally by a decline of \$7 billion in estimated revenue receipts, and about \$5 billion in increased expenditures over the budget estimates." All this was apparent last fall when the recession began. Profits were declining. The economic situation was worsening and yet, when the President's budget was submitted in January, despite all the warnings, an increase in revenues was predicted. Secretary Anderson has acknowledged that an increase of \$3 billion in tax receipts, as compared to the previous year, was predicted. And so the deficit of not less than \$2.8 billion was apparent at the end of fiscal 1958, and a deficit of \$12 billion is now predicted for the end of 1959.

#### WE PAY FOR FOREIGN AID WITH DEFICIT SPENDING

In the light of this huge deficit predicted by the Secretary of the Treasury, we are asked to support a mutual security bill which increases the appropriation for fiscal 1959 by more than \$749 million over the appropriation for fiscal 1958. Does anybody doubt that deficit spending is inflationary? Secretary Anderson acknowledges that it is. This is what he told the Finance Committee a week ago yesterday. "A deficit is certainly on the inflationary side, and a continuation of deficits would be more inflationary than a single deficit."

With clear insight into the gravity of the fiscal situation in which we find ourselves, Secretary Anderson then said: "I think what this country has got to realize is that it must pay its bills, and that whatever is required we must not allow either inflation or deflation in this country to run a ruinous course."

#### OUR EXPENSES CLIMB

Does anybody doubt that the effects of inflation are with us? Yesterday the Bureau of Labor Statistics in the United States Department of Labor, under Secretary Mitchell, issued a statement on the Consumer Price Index for July 1958. That's last month. "Consumer prices," it said, "in United States cities, increased 0.2 percent by the end of July 1958." This included higher prices for transportation, food, and medical care. This is acknowledged by the Department of Labor to be an increase of 2.6 percent above that of July last year. It is 23.9 percent above the average for the years 1947-49.

#### DEFENSE SUPPORT INCREASES

It is clear, therefore, that as we deal with this mutual security appropriation; namely, a total of \$3,518,092,500 as reported by the committee, we are dealing with an increased expenditure of almost three-fourths of a billion dollars, and an examination of the details of this expenditure reveals extraordinary and appalling facts. For example, we are asked to appropriate \$790 million for defense support. Although this is \$45 million under the estimates submitted by the President, it is \$65 million above the appropriations for 1958 and is \$90 million above the House appropriation. The money will be



expended in 12 different countries: Spain, Greece, Iran, Turkey, Pakistan, Cambodia, Korea, Laos, Philippines, Taiwan, Thailand, and Vietnam. The amounts which these countries will receive individually, however, is classified. The people of the United States are denied knowledge of where, when or how the money from an empty treasury will be expended for defense support abroad.

The last appropriation bill for mutual security provided \$300 million for the Development Loan Fund. The President asked for \$625 million, more than twice what was used a year ago. The House recommended \$300 million. The Senate committee has increased this by \$280 million.

#### WE GUARANTEE INVESTMENTS ABROAD

In appraising this appropriation we must take into consideration the fact that under the terms of the mutual assistance program this country, with its deficit of \$2.8 billion for fiscal 1958 and its estimated deficit of \$12 billion for fiscal 1959, will be guaranteeing to United States investors abroad that the currency they receive in foreign countries can be converted into dollars. More than that, the program is to guarantee that the United States will compensate these investors against any losses due to expropriation, and finally against losses due to war damage. As of September 30 last the total guarantees outstanding amounted to more than \$176 million.

#### CONGRESS IS BYPASSED IN LOAN PROGRAM

Let us not forget that the United States is living beyond its means. We have that on the word of the Secretary of the Treasury. How then can we undertake to extend these guaranties for payment in dollars for a program which Secretary Dulles himself testified would involve a great risk? His statement will be found on page 5 of the Foreign Relations Committee hearings of May 22, 1957, when Secretary Dulles explained the development loan program. He not only acknowledged that the Fund involves a great risk, but he said that the proposal to provide an initial appropriation and borrowing was a "new approach" which "we contemplate requires that we get away from annual authorizations or appropriations." Here is a plain assertion by the Secretary of State that he wants to be bothered no longer with securing authorizations or annual appropriations from the Congress of the United States which, under the Constitution, is the custodian of the funds belonging to the people. Mr. Dulles would like to spend these funds in lump sums without detailed explanation. As a matter of fact, when the mutual security law was passed a year ago, it was clearly provided that the report of the manager of the fund should be made only after the consummation of a transaction and not before the financing operation was undertaken.

#### SUCH SPENDING RESULTS IN INFLATION

Appropriating money to be expended in such a manner is only an invitation to continued inflation. It is easy to report from the testimony of the Department of Defense that the cost of building and operating the weapons of defense is constantly increasing. Only last March Assistant Secretary of Defense W. J. McNeil, addressing various business groups, described the expensive impact of technological progress on the defense budget. For example, he said: "With one or two exceptions there is hardly a production model aircraft on the Air Force's 1959 procurement list that was included in the 1955 program. All the fighters and bombers proposed for 1959 procurement will be capable of supersonic speeds and the employment of guided missiles and nuclear weapons. Of the \$1.5 billion of aircraft, engines, and aeronautical equipment the Navy expects to buy in 1959, about 80 percent will go for models which were not being bought in production quanti-

ties only 3 years ago. In 1959 over 40 percent of the Army procurement will be for missiles and related equipment, compared with approximately 10 percent in 1955."

#### PACKERS AND STOCKYARDS ACT

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that a statement I had prepared with respect to the Packers and Stockyards Act, as amended by H. R. 9020, may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOSEPH C. O'MAHONEY  
PACKERS AND STOCKYARDS ACT, AS AMENDED BY  
H. R. 9020, IS AN IMPROVEMENT OVER PRESENT  
LAW

Yesterday, on my motion, the Senate considered and passed the bill H. R. 9020, which amended the Packers and Stockyards Act and the Federal Trade Commission Act. Time did not permit an extended debate on the important issues raised in this bill. However, I could not permit the 85th Congress to come to a close without making a more detailed explanation of the reasons which impelled us to adopt the meat-packing bill passed by the House on August 12, 1958.

HELD HEARINGS ON REASONS FOR PRODUCERS'  
SHREINING SHARE OF CONSUMER DOLLAR

This legislation is the culmination of hearings which I began in May 1956 when I was acting chairman of the Antitrust and Monopoly Subcommittee. At that time, the precarious economic condition of farmers and livestock producers made it abundantly clear that effective legislation was needed to curb practices which reduced their share of the national income. Farm income in the United States had been declining. During the period 1947 to 1956 farmers' cash receipts from the sale of livestock and livestock products declined from \$16.5 billion to \$16.3 billion. In this same period farm animal slaughter increased significantly. While prices received by the livestock producer declined 29 percent from 1947 to 1956, the retail cost of meat and meat products to the consumer declined only 5 percent. It was apparent that the spread between the price received by the producer and the price received by the retailer had widened, with the processor receiving the benefits of lower livestock prices. The hearings which we conducted at that time to discover the reasons farmers and livestock producers were receiving an increasingly smaller share of the consumer dollar immediately disclosed the basic inadequacies of the Packers and Stockyards Act and the complete failure of the Department of Agriculture to enforce this act in such a way as to produce the maximum benefits to livestock producers, meatpackers and the consuming public.

SENATE BILLS INTRODUCED TO STRENGTHEN  
PACKERS ACT

We quickly discovered that the large national food chains had found loopholes in the Packers and Stockyards Act whereby they were able, through various devices, to qualify as meatpackers and, thus, completely escape from the supervisory authority of the Federal Trade Commission. Senator WATKINS and I introduced separate bills in the 84th Congress, designed to plug this loophole in the law and to transfer jurisdiction over meatpackers from the Department of Agriculture to the Federal Trade Commission.

In the 85th Congress, Senator WATKINS and I joined in sponsoring the bill S. 1356, which, after long hearings and considerable study, and after some modification by the Committee on Agriculture, was ultimately adopted by this body on May 15 of this year.

From its inception, the bill has received the active and enthusiastic support of certain small independent meatpacking companies who were suffering from the monopolistic practices of their large meatpacking competitors. Substantial groups representing livestock producers came forward in support of the bill. The National Wool Growers Association, the National Milk Producers Association, and the National Farmers Union, which speak for producers in many States, were vocal in their support. A substantial number of State organizations rallied behind the bill, including the Wyoming Stock Growers Association, the Utah and Idaho Wool Growers Associations, and the Utah Cattlemen's Association. Similar strong support was voiced by important segments of the food industry, including wholesale grocers, milk producers, food brokers, independent businessmen, consumer, supply, and service cooperatives, candy wholesalers, dry goods distributors, and the fishing industry.

#### HOUSE BILL ACCEPTED BY SENATE

In my opinion, S. 1356 represented the best solution possible to the difficult problem of properly dividing jurisdiction over meatpacking activities between the Department of Agriculture and the Federal Trade Commission. However, the Committee on Agriculture in the House of Representatives reported out the bill H. R. 9020, subsequently passed by the House, which retained in the Department of Agriculture more jurisdiction over meatpackers than the bill adopted by the Senate. I have consistently expressed my preference for the meatpacking bill which was approved by the Senate. However, in the closing days of the Congress, it became apparent that because of the press of time it would not be possible to obtain a conference between the two Houses in an effort to obtain legislation similar to that endorsed by the Senate. Under the circumstances, I felt that we could not afford to lose the benefits of all our efforts in the past 2½ years by permitting the Congress to adjourn without obtaining some legislation in this vital area. Accordingly, I discussed this measure with the other sponsors and supporters of the bill in the Senate, and with the leaders on both sides of the aisle, and we concluded that we should ask the Senate to give favorable consideration to H. R. 9020.

#### BILL PLUGS TWO GAPING LOOPHOLES

It has long been my experience in the legislative field that we make progress one step at a time. While I am certainly not in complete sympathy with the House bill, I recognize full well that it accomplishes many of the important objectives we sought to achieve when we first began our study of this problem. I feel it is a long step forward in the direction of more effective antitrust enforcement. The bill completely closes the loophole in the Packers and Stockyards Act whereby large national food chains have successfully escaped Federal Trade Commission surveillance. This feature of the bill in itself is sufficient to justify its passage by the Congress at this time. With all the principal national food chains now qualifying as packers, and others rapidly gathering themselves under the protective umbrella of the Packers and Stockyards Act, the position of the independent retail and wholesale grocer throughout the United States was becoming increasingly perilous. The anguished cries of these independent businessmen asking the Congress to subject their bigger national competitors to uniform standards of trade practices oblige the Congress to act now.

The great number of groups and organizations who have worked so diligently with the Senate committees in their efforts to enact needed legislation can take much comfort in realizing that their efforts have not been in vain and that legislation has been adopted



# Daily Digest

## HIGHLIGHTS

Eighty-fifth Congress adjourned sine die.

## Senate

### Chamber Action

*Routine Proceedings, pages 17757-17787*

**Bills Introduced:** 4 bills and 9 resolutions were introduced, as follows: S. 4326-4329; S. J. Res. 202-203; S. Con. Res. 122-123; and S. Res. 387-391.

Pages 17758-17759

**Bill Reported:** A report was made as follows: Report of Committee on Armed Services entitled "Operation of Article VII, NATO, Status of Forces Treaty" (S. Rept. 2497).

**Bills Referred:** Several House-passed bills were referred to appropriate committees.

**President's Communication—Supplemental Appropriations:** Communication from President transmitting proposed supplemental appropriation in the amount of \$500,000 for the Department of Labor, and a proposed provision for the Treasury Department for the fiscal year 1959, with an accompanying paper, was referred to Committee on Appropriations and ordered to be printed as S. Doc. 119.

**Call of Calendar:** On call of calendar for unobjected-to bills, Senate passed 15 measures, of which 7 were private:

**Without amendment and cleared for President:**

*California Exposition:* H. J. Res. 658, relating to participation in the California International Trade Fair and Industrial Exposition;

*Public land—Texas:* H. R. 11456, authorizing exchange of certain real property heretofore conveyed to city of El Paso, Tex., by the U. S.;

*Yosemite Park:* H. R. 12281, to provide an administrative site for Yosemite National Park, Calif., on lands adjacent to the park;

*Puerto Rico:* H. R. 13666, to permit the appointment of the adjutant general of Puerto Rico as provided by the laws of that Commonwealth;

*Private bills:* 6 private bills, H. R. 7544, 1803, 4073, 1684, 8759, and 9258.

**With amendment, to be sent back to House:**

*Food additives:* H. R. 13254, to protect the public health by amending the Federal Food, Drug, and Cos-

metic Act to prohibit the use in food of additives which have not been adequately tested to establish their safety;

**Without amendment and cleared for House:**

*Philippines—defense:* S. 2765, to provide for the promotion of certain persons who participated in the defense of the Philippines; and

*Patterson lake:* S. J. Res. 179, to designate lake to be formed by Dickinson Dam, N. Dak., as "Edward Arthur Patterson Lake."

**With amendment and cleared for House:**

*Private bill:* S. 3545, a private bill.

**Resolution adopted without amendment:**

*Committee funds:* S. Res. 386, providing additional funds of \$12,000 for Committee on Armed Services.

**Bill indefinitely postponed:**

S. 4129.

Page 17790

**Railroad Retirement:** S. 2020, proposing several amendments to the Railroad Retirement Act and Railroad Unemployment Insurance Act, was passed with committee amendments and Morse technical amendments.

Pages 17792-17795

**Hudson-Champlain Commission:** It was announced that Vice President has appointed Senators Aiken, Pastore, McNamara, and Javits as members of the Hudson-Champlain Celebration Commission, pursuant to provisions of H. R. 12293, to establish the Hudson-Champlain Celebration Commission.

**Housing:** S. 4323, relating to provision and improvement of housing and renewal of urban communities, introduced on August 22, was read the second time and ordered to lie on table.

Pages 17779-17780

**Mentally Retarded:** Senate took from desk, passed without amendment and cleared for President H. R. 13840, to encourage expansion of teaching in the education of mentally retarded children through grants to institutions of higher learning and to State educational agencies.

**Mutual Security:** Senate passed with amendments H. R. 13192, fiscal 1959 appropriations for mutual security, after rejecting the following two amendments,



the committee amendments having been adopted yesterday:

By 36 yeas to 45 nays (motion to reconsider tabled), Ellender amendment to reduce by \$100 million funds for military assistance; by 36 yeas to 41 nays (motion to reconsider tabled), Ellender amendment to reduce by \$50 million funds for defense support.

Senate insisted on its amendments, asked for conference with House, and appointed as conferees Senators Hayden, Russell, Chavez, Ellender, Hill, Saltonstall, Knowland, Thye, and Dirksen.

Bill was subsequently cleared for President when Senate adopted conference report thereon.

Pages 17787-17788, 17826-17862, 17991-17992

**Independent Offices Appropriations:** Senate took up (by unanimous consent dispensing with 3-day rule) and passed with amendments (motion to reconsider tabled) H. R. 13856, independent offices appropriations for fiscal year 1959, taking the following actions on amendments:

Adopted: Committee amendments en bloc which were thereafter considered as original text for further amendment; Hayden amendment of corrective nature respecting White House Conference on Aging; and

Rejected: By 30 yeas to 45 nays (motion to reconsider tabled) Williams amendment requesting President during fiscal year 1959 to review expenditures programed and issue directives to Budget Bureau for reduction of at least 2 percent on defense items and 4 percent on other appropriations, but not more than 10 percent on any one item (on motion to suspend rules after sustaining of Hayden point of order against amendment as legislation on appropriation bill; and Allott amendment to insert provision on salaries and expenses, Department of Labor; and

Ruled out of order: Potter amendment to insert provision on grants to States for unemployment compensation.

Bill was subsequently cleared for President when Senate concurred in House amendment to Senate amendment No. 8.

Pages 17865-17876

**Authority To Report:** Committee on Banking and Currency was authorized to file two reports during sine die adjournment.

**Small Business Financing:** Certain questions and answers on S. 3651, Small Business Investment Administration Act of 1958, were authorized to be printed as a Senate document.

**Atomic Energy:** It was announced that Vice President has appointed Senators Hickenlooper and Pastore as members of the U. S. delegation to the Second International Conference on Peaceful Uses of Atomic Energy, sponsored by U. N., to be held at Geneva, September 1-13, 1958.

**NATO:** It was announced that Vice President has appointed to the Fourth Annual North American Treaty Parliamentary Conference, to be held in Paris November 12-16, 1958, Senators Green (chairman), Bridges, Kefauver, Kuchel, Jackson, Hruska, Javits, and Talmadge. An additional Senator from the majority side will be named at a later date.

**UNESCO:** It was announced that Vice President has appointed Senators Saltonstall and Humphrey as members on part of U. S. to the 10th session of the Biennial General Conference of UNESCO, to be held in Paris November 4-December 5, 1958.

**GATT:** Vice President appointed Senator Smathers to serve as adviser to the U. S. delegation at 13th session of Contract Parties to the General Agreement on Tariffs and Trade at Geneva, October 16, 1958.

**Private Bill:** Senate adopted conference report on H. R. 4059, a private bill.

Page 17878

**Adjournment Resolutions:** Senate adopted the following adjournment resolutions:

*Enrolled bills:* S. Con. Res. 122, authorizing the President of the Senate and the Speaker of the House to sign enrolled bills and joint resolutions notwithstanding the sine die adjournment of Congress;

*Committee to wait on President:* S. Res. 388, to notify the President that the 2d session of the 85th Congress has completed its work;

*Vice President:* S. Res. 389, tendering thanks of Senate to Vice President for manner in which he has presided over Senate;

*President pro tempore:* S. Res. 390, tendering thanks of Senate to President pro tempore for manner in which he has presided over Senate; and

*Adjournment:* S. Con. Res. 123, providing for sine die adjournment of 2d session of 85th Congress.

**Legislative Accomplishments:** Order was entered for printing as a Senate document a statement on the legislative record of the 2d session of the 85th Congress, and as a Senate document minority statement on legislative record of 2d session of 85th Congress.

**Sundry Bills Cleared:** Senate cleared the following sundry bills in the manner indicated:

*World Science:* S. 3680, providing for participation of the U. S. in the World Science-Pan Pacific Exposition to be held at Seattle in 1961 (by concurrence in House amendments);

*Dogfish bounties:* S. 2719, providing for the payment of bounties for the control of certain predators on salmon and halibut of the Pacific coast and Alaska (by concurrence in House amendments);

*Surgeons General:* S. 2006, to relieve the Surgeons General of the Army and Navy of certain responsibilities











Public Law 85-853  
85th Congress, H. R. 13192  
August 28, 1958

AN ACT

72 Stat. 1100.

Making appropriations for Mutual Security for the fiscal year ending June 30, 1959, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1959, namely:

Mutual Security  
Appropriation  
Act, 1959.

MUTUAL SECURITY

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Mutual Security Act of 1954, as amended, to remain available until June 30, 1959 unless otherwise specified herein, as follows:

68 Stat. 832.  
22 USC 1751  
note.

Military assistance: For assistance authorized by section 103 (a) to carry out the purposes of chapter I (including administrative expenses as authorized by section 103 (b), which shall not exceed \$25,000,000 for the fiscal year 1959, and purchase for replacement only of passenger motor vehicles for use abroad), \$1,515,000,000;

Ante, p. 262.

Defense support: For assistance authorized by section 131 (b), \$750,000,000: *Provided*, That not less than \$50,000,000 thereof shall be available for Spain exclusive of technical cooperation;

Ante, p. 262.

Development Loan Fund: For advances to the Development loan fund as authorized by section 203, \$400,000,000, to remain available until expended;

Ante, p. 262.

Technical cooperation, general authorization: For assistance authorized by section 304, \$150,000,000;

Ante, p. 265.

United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306 (a), \$20,000,000;

Ante, p. 265.

Technical cooperation programs of the Organization of American States: For contributions authorized by section 306 (b), \$1,500,000;

Ante, p. 266.

Special assistance, general authorization: For assistance authorized by section 400 (a), \$200,000,000;

Ante, p. 266.

Intergovernmental Committee for European Migration: For contributions authorized by section 405 (a), \$12,500,000: *Provided*, That no funds appropriated in this Act shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere;

22 USC 1925.

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405 (c), \$1,200,000;

Ante, p. 266.

Escapee program: For assistance authorized by section 405 (d), \$8,600,000;

Ante, p. 266.

United Nations Children's Fund: For contributions authorized by section 406, \$11,000,000;

Ante, p. 266.

United Nations Relief and Works Agency: For contributions and expenditures authorized by section 407, \$25,000,000, and in addition the unobligated balances of funds heretofore made available for this purpose are continued available;

Ante, p. 266.

Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409 (c), \$2,100,000;

Ante, p. 267.

Control Act expenses: For carrying out the purposes of the Mutual Defense Assistance Control Act of 1951, as authorized by section 410, \$1,000,000;

Ante, p. 267.



Ante, p. 267.  
Ante, p. 267.

General administrative expenses: For expenses authorized by section 411 (b), \$33,000,000;  
Atoms for Peace: For assistance authorized by section 419, \$5,500,000;

Ante, p. 268.

President's Special Authority and Contingency Fund: For assistance authorized by section 451 (b), \$155,000,000;

President's Fund for Asian Economic Development: Unobligated balances of funds heretofore made available for the President's Fund for Asian Economic Development are hereby continued available for the fiscal year 1959 for the purposes for which originally appropriated.

68 Stat. 830.  
31 USC 200.

Funds appropriated under each paragraph of this Act (other than appropriations under the head of military assistance), including unobligated balances continued available, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available (except as may otherwise be specified in this Act) for the same period as the respective appropriations in this Act for the same general purpose, may be consolidated in one account for each paragraph.

#### DEPARTMENT OF STATE

Ante, p. 267.

Administrative expenses: For expenses of the Department of State as authorized by section 411 (c) of the Mutual Security Act of 1954, as amended, \$6,692,500.

#### CORPORATIONS

59 Stat. 598.  
31 USC 849.

The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1959 for such corporation, except as hereinafter provided:

#### LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Restriction.

Not to exceed \$1,250,000 of the funds of the Development Loan Fund shall be available during the fiscal year 1959 for administrative expenses of the Fund covering the categories set forth in the fiscal year 1959 budget estimates for such expenses.

#### GENERAL PROVISIONS

Publicity or  
propaganda.

SEC. 102. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

Engineering  
fees.  
Report to  
Congress.

SEC. 103. Payments made from funds appropriated herein for engineering fees and services to any individual engineering firm on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.

Restriction.

SEC. 104. Except for the appropriations entitled "President's special authority and contingency fund" and "Development loan fund", not more than 20 per centum of any appropriation item made available by this Act shall be obligated and/or reserved during the last month of availability.

Seating of  
Communist in  
U.N., opposition.

SEC. 105. The Congress hereby reiterates its opposition to the seating in the United Nations of the Communist China regime as the representative of China, and it is hereby declared to be the continuing



August 28, 1958

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Pub. Law 85-853

72 Stat. 1102.

sense of the Congress that the Communist regime in China has not demonstrated its willingness to fulfill the obligations contained in the Charter of the United Nations and should not be recognized to represent China in the United Nations. In the event of the seating of representatives of the Chinese Communist regime in the Security Council or General Assembly of the United Nations, the President is requested to inform the Congress insofar as is compatible with the requirements of national security, of the implications of this action upon the foreign policy of the United States and our foreign relationships, including that created by membership in the United Nations, together with any recommendations which he may have with respect to the matter.

Presidential  
report to  
Congress.

SEC. 106. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1958, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1958, and the date of enactment of this Act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms hereof.

Availability  
of funds and  
authority.

SEC. 107. None of the funds provided by this Act nor any of the counterpart funds generated as a result of assistance under this Act or any prior Act shall be used to pay pensions, annuities, retirement pay or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

Restriction.

SEC. 108. Not to exceed 50 per centum of the foreign currencies heretofore generated in any country under section 402 of the Mutual Security Act of 1954, as amended, may, notwithstanding prior provisions of law, hereafter be used in accordance with the provisions of that section: *Provided*, That quarterly reports of the use of foreign currencies pursuant to this section shall be submitted to the Committees on Appropriations of the Senate and House of Representatives.

Foreign  
currencies.  
68 Stat. 843.  
22 USC 1922.

This Act may be cited as the "Mutual Security Appropriation Act, 1959".

Short title.

Approved August 28, 1958.



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